

IMPORTANT NOTICE

THE ATTACHED BASE PROSPECTUS IS AVAILABLE ONLY TO: (1) QIBs (AS DEFINED BELOW) UNDER RULE 144A WHO ARE ALSO QPs (AS DEFINED BELOW); OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S (AS DEFINED BELOW)) THAT ARE OUTSIDE OF THE UNITED STATES.

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

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

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

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

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

Article 22 (high net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iv) any other person to whom it may otherwise lawfully be promoted (all such persons together being referred to as "**relevant persons**"). Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any Final Terms or any other marketing materials in relation to any securities described herein.

Confirmation of your representation: By accessing the Base Prospectus you confirm to the Government of the Emirate of Sharjah acting through the Sharjah Finance Department (the "**Obligor**" or the "**Government**"), to Sharjah Sukuk Programme Limited (in its capacities as issuer of the securities and as trustee for the holders of the securities, the "**Trustee**") and to each of HSBC Bank plc and Standard Chartered Bank (the "**Arrangers**") and to each of Abu Dhabi Islamic Bank PJSC, Dubai Islamic Bank PJSC, Emirates NBD Bank PJSC, HSBC Bank plc, Sharjah Islamic Bank P.J.S.C. and Standard Chartered Bank and any other dealers appointed under the Programme (as defined herein) from time to time by the Government and the Trustee, which appointment may be for a specific issue of securities or on an ongoing basis (together, the "**Dealers**") that: (i) you understand and agree to the terms set out herein; (ii) either (a) you are a person that is outside the United States and is not a U.S. person (within the meaning of Regulation S under the Securities Act ("**Regulation S**")); or (b) you are a qualified institutional buyer (a "**QIB**") within the meaning of Rule 144A under the Securities Act ("**Rule 144A**") who is also a qualified purchaser (a "**QP**") as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended, that is acquiring the securities for its own account or the account of another QIB that is also a QP; (iii) you consent to delivery of the Base Prospectus and any amendments or supplements thereto by electronic transmission; (iv) you will not transmit the Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person; and (v) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation, *Shari'a* or other economic considerations with respect to your decision to subscribe or purchase any of the Trust Certificates.

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

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

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

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

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

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



SHARJAH SUKUK PROGRAMME LIMITED

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

Trust Certificate Issuance Programme

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

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

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

Each Tranche (as defined herein) of Trust Certificates issued under the Programme will be constituted by: (i) an amended and restated master declaration of trust (the "**Master Declaration of Trust**") dated 18 July 2025 entered into between the Trustee, the Government of the Emirate of Sharjah acting through the Sharjah Finance Department (the "**Obligor**" or the "**Government**") and Deutsche Trustee Company Limited as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**") and, together with the Master Declaration of Trust, the "**Declaration of Trust**") in relation to the relevant Tranche. Trust Certificates of each Series (as defined herein) confer on the holders of the Trust Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**") over the relevant Trust Assets (as defined herein).

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Trustee, the Government or the quality of the Trust Certificates. Investors should make their own assessment as to the suitability of investing in the Trust Certificates. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Trust Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to listing on the official list of Euronext Dublin (the "**Official List**") and to trading on its regulated market (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**EU MiFID II**"). Such approval relates only to the Trust Certificates which are to be admitted to trading on a regulated market for the purposes of EU MiFID II and/or which are to be offered to the public in any member state of the European Economic Area (the "**EEA**"). Each of the Trustee and the Government is an "Exempt Offeror" for the purposes of Article 13(1) of the Markets Law, Dubai International Financial Centre Law No. 1 of 2012 (as amended, the "**Markets Law 2012**") of the Dubai Financial Services Authority (the "**DFSA**"). Accordingly, this Base Prospectus has not been approved by the DFSA for the purposes of Articles 14 and 15 of the Markets Law 2012. Application has been made to the DFSA for the Trust Certificates to be admitted to the official list of securities maintained by the DFSA (the "**DFSA Official List**") and to Nasdaq Dubai for admission to trading on Nasdaq Dubai. References in this Base Prospectus to Trust Certificates being "listed" (and all related references) shall mean that such Trust Certificates have been (a) admitted to the Official List and the DFSA Official List, (b) admitted to trading on the Regulated Market and on Nasdaq Dubai and/or (c) another EU MiFID II regulated market as may be specified in the applicable final terms relating to the relevant Tranche (the "**applicable Final Terms**" or "**Final Terms**"). The Programme provides that Trust Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Government and the relevant Dealer(s). However, unlisted Trust Certificates may also be issued pursuant to the Programme. The Final Terms in respect of the issue of any Trust Certificates will specify whether or not such Trust Certificates will be (a) listed on the Official List and admitted to trading on the Regulated Market and/or (b) listed on the DFSA Official List and admitted to trading on Nasdaq Dubai (or any other stock exchange). This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for a period of 12 months from its date.

The Trust Certificates will be delisted from the Official List, the DFSA Official List and/or any other or further stock exchanges or markets on which the Trust Certificates have been listed following the occurrence of either: (i) a Tangibility Event (as defined herein), see Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*); or (ii) a Total Loss Event or (subject to certain conditions as set out herein) a Partial Loss Event (each as defined herein) (see Condition 10.4 (*Capital Distribution of Trust - Dissolution following a Total Loss Event*)).

The Programme is expected to be rated BBB- and A-3 by S&P Global Ratings Europe Limited ("**S&P**") and Ba1 by Moody's Investors Service, Inc. ("**Moody's**"). Sharjah has been assigned a long- and short-term foreign and local currency sovereign credit rating of BBB- and A-3, respectively, by S&P with a stable outlook and a long-term issuer rating of Ba1 by Moody's with a stable outlook. S&P is established in the European Economic Area (the "**EEA**") and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"). S&P is not established in the United Kingdom and has not applied for registration under Regulation (EU) No 1060/2009 (as amended) as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**"). The ratings assigned by S&P have been endorsed by S&P Global Ratings UK Limited, which is established in the United Kingdom and registered under the UK CRA Regulation. Moody's is not established in the EEA and has not applied for registration under the EU CRA Regulation. The ratings assigned by Moody's have been endorsed by Moody's Investors Service Cyprus Limited, which is established in the EEA and registered under the EU CRA Regulation and Moody's Investors Service Limited, which is established in the United Kingdom and registered under the UK CRA Regulation. As such, S&P and Moody's Investors Service Cyprus Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation. S&P Global Ratings UK Limited and Moody's Investors Service Limited appears on the latest update of the list of registered credit rating agencies on the United Kingdom Financial Conduct Authority's (the "**FCA**") Financial Services Register. Trust Certificates issued under the Programme may be rated or unrated. Where a Tranche of Trust Certificates is rated, such rating will be disclosed in the applicable Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Trust Certificates have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Trustee has not been and will not be registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), in reliance upon the exemption provided by Section 3(c)(7) thereof.

Accordingly, the Trust Certificates are being offered, sold and delivered only: (i) outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S and initially represented by a global certificate in registered form (the "**Unrestricted Global Trust Certificate**"); and (ii) within the United States to "qualified institutional buyers" (each, a "**QIB**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") that are also "qualified purchasers" (each, a "**QP**"), as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), in reliance on the exemption from registration provided by Rule 144A, and represented by one or more global certificates in registered form (a "**Restricted Global Trust Certificate**"), together with the Unrestricted Global Trust Certificate, the "**Global Trust Certificates**"). Prospective purchasers are hereby notified that sellers of the Trust Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on offers and sales of Trust Certificates and on distribution of this Base Prospectus, see "*Subscription and Sale and Transfer and Selling Restrictions*." Global Trust Certificates will either (A) be deposited on the relevant issue date with, and registered in the name of a nominee for, a common depository (the "**Common Depository**") on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or (B) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTIC**"). The Trust Certificates are subject to other restrictions on resales, pledges, exchanges and other transfers. See "*Subscription and Sale and Transfer and Selling Restrictions*".

The transaction structure relating to the Trust Certificates (as described in this Base Prospectus) has been approved by the Internal Sharia Supervisory Committee of Abu Dhabi Islamic Bank PJSC, the Internal Sharia Supervisory Committee of Dubai Islamic Bank PJSC, the Internal Shari'ah Supervision Committee of Emirates NBD – Islamic, the Internal Sharia Supervisory Committee of HSBC Bank Middle East Limited and the Global Shariah Supervisory Committee of Standard Chartered Bank as, in their view, complying with *Shari'a* principles as applicable to, and interpreted by, them. Prospective investors should not rely on the approvals referred to above in deciding whether to make an investment in the Trust Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in the approvals referred to above, including the tradability

of the Trust Certificates in the secondary market, is in compliance with *Shari'a* principles (including, without limitation, their individual standards of compliance relating thereto). Prospective investors are reminded that, as with any *Shari'a* views, differences in opinion are possible and different *Shari'a* standards may be applied by different *Shari'a* advisers.

HSBC	Arrangers	Standard Chartered Bank
Abu Dhabi Islamic Bank Emirates NBD Capital Sharjah Islamic Bank P.J.S.C.	Dealers	Dubai Islamic Bank HSBC Standard Chartered Bank

The date of this Base Prospectus is 18 July 2025

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the EU Prospectus Regulation. Each of the Trustee and the Government accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of the Trustee and the Government, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect its import.

This Base Prospectus should be read and construed together with any supplements hereto and, in relation to any Tranche of Trust Certificates, should be read and construed together with the applicable Final Terms. The information on the websites to which this Base Prospectus refers do not form part of this Base Prospectus and have not been scrutinised or approved by the Central Bank of Ireland.

This Base Prospectus must be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

Copies of Final Terms will be available from the specified office set out below of the Principal Paying Agent (as defined below) save that, if the relevant Trust Certificates are either (A) not listed on the Official List and neither admitted to trading on the Regulated Market or any other regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the EU Prospectus Regulation or (B) not listed on the DFSA Official List and admitted to trading on Nasdaq Dubai, the applicable Final Terms will only be obtainable by a Certificateholder holding one or more Trust Certificates and such Certificateholder must produce evidence satisfactory to the Trustee or, as the case may be, the Principal Paying Agent as to its holding of such Trust Certificates and identity. Copies of Final Terms in relation to the Trust Certificates to be listed on Euronext Dublin will be published on the website of the Euronext Dublin (<https://live.euronext.com/>).

In the case of any Trust Certificates which are to be admitted to trading on a regulated market within the EEA or United Kingdom or offered to the public in any member state of the EEA or the United Kingdom in circumstances which require the publication of a prospectus under the EU Prospectus Regulation or Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK Prospectus Regulation**"), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Trust Certificates).

None of the Dealers, the Arrangers (each as specified under "*Overview of the Programme*"), the Agents (as defined in the "*Terms and Conditions of the Trust Certificates*") or the Delegate (as specified under "*Overview of the Programme*") or their respective affiliates have independently verified the information contained herein. Accordingly, none of the Dealers, the Arrangers, the Agents, the Delegate or their respective affiliates accepts any responsibility or liability for and makes no representation, warranty or undertaking, express or implied, as to (i) the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus, (ii) any acts or omissions of the Trustee, the Government or any other person in connection with this Base Prospectus or the issue and offering of the Trust Certificates or (iii) any other information provided in connection with the Trustee, the Government, the Programme, any Trust Certificates issued thereunder or their distribution. Each Arranger, Dealer, Agent, the Delegate and their respective affiliates accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any other information provided by the Trustee or the Government in connection with the Programme, the Trust Certificates or their distribution.

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

No person is or has been authorised by the Trustee or the Government to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the issue or sale of the Trust Certificates and, if given or

made, such information or representation must not be relied upon as having been authorised by the Government, the Trustee, the Delegate, any Arranger, any Dealer or any Agent.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Trust Certificates: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Government, the Trustee, the Delegate, any Arranger, any Dealer, or any Agent that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Trust Certificates should purchase any Trust Certificates. Each investor contemplating purchasing Trust Certificates should determine for itself the relevance of the information contained in this Base Prospectus, make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Trustee and the Government and its purchase of any Trust Certificates should be based upon such investigation as it deems necessary. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Trust Certificates constitutes an offer or invitation by or on behalf of the Government, the Trustee, the Delegate, any Arranger, any Dealer or the Agents to any person to subscribe for or to purchase any Trust Certificates. None of the Dealers, the Arrangers, the Agents or the Delegate undertakes to review the financial condition or affairs of the Trustee or the Government during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or prospective investor in the Trust Certificates of any information coming to the attention of any of the Dealers, the Arrangers, the Agents or the Delegate.

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

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

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

Any term which is not compliant with *Shari'a* principles used in this Base Prospectus has been included to give the correct meaning to a particular statement or a Condition and does not impact the *Shari'a* compliant nature of the Transaction Documents or the Trust Certificates.

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

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

The Trust Certificates may not be a suitable investment for all investors. Generally, investment in emerging markets such as Sharjah is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Each potential investor in Trust Certificates must determine the suitability of an investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Trust Certificates and the complex structure thereof, the merits and risks of investing in the Trust Certificates and the information contained in this Base Prospectus or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Trust Certificates and the impact the Trust Certificates will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Trust Certificates, including where the currency of payment is different from the prospective investor's currency;
- (d) understands thoroughly the terms of the Trust Certificates and is familiar with the behaviour of any relevant indices and financial markets;
- (e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) is able to evaluate the compliance of the Trust Certificates with *Shari'a* principles (including, without limitation, their individual standards of compliance relating thereto).

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

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of persons reasonably believed to be QIBs that are also QPs for informational use solely in connection with the consideration of the purchase of certain Trust Certificates issued under the Programme. Its use for any other purpose in the United States is not authorised. This Base Prospectus may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Trust Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Trust Certificates may not be offered or sold within the United States, except in transactions exempt from,

or in transactions not subject to, the registration requirements of the Securities Act. The Trustee has not been and will not be registered as an investment company in the United States under the Investment Company Act.

Each purchaser or holder of Trust Certificates represented by a Restricted Global Trust Certificate or any Trust Certificates issued in exchange or substitution thereof (together, "Legended Trust Certificates") will be deemed, by its acceptance or purchase of any such Legended Trust Certificates, to have made certain representations and agreements intended to restrict the resale or other transfer of such Trust Certificates as set out in "*Subscription and Sale and Transfer of Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of Final Terms*" or "*Form of the Trust Certificates*", as the case may be.

NEITHER THE PROGRAMME NOR THE TRUST CERTIFICATES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE THE FOREGOING AUTHORITIES APPROVED THIS BASE PROSPECTUS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

Sharjah is a foreign sovereign state outside the United States and the United Kingdom, and a substantial portion of the assets of Sharjah is located outside the United States and the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United States and/or the United Kingdom upon Sharjah or to enforce against it in the United States courts or English courts judgments obtained in United States courts or English courts, respectively, including judgments predicated upon the civil liability provisions of the securities laws of the United States or the securities laws of any state or territory within the United States. The Trust Certificates are governed by English law and disputes in respect of the Trust Certificates may be settled under the Arbitration Rules of the London Court of International Arbitration in London, England. In addition, actions in respect of the Trust Certificates may be brought in the English courts.

A substantial part of Sharjah's assets are located in Sharjah. In the absence of any bilateral treaty for the reciprocal enforcement of foreign judgments, the Sharjah courts are unlikely to enforce a judgment obtained in United States courts or English courts without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the Trust Certificates. Investors may have difficulties in enforcing any United States or English judgments or arbitration awards against Sharjah in the courts of Sharjah. These factors create greater judicial uncertainty than would be expected in certain other jurisdictions. See "*Risk Factors — Risk factors relating to enforcement*".

The Trustee has undertaken in the Master Declaration of Trust to furnish, upon the request of a holder of such Trust Certificates or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Trust Certificates remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Trustee is not a reporting company under Section 13 or 15(d) of the Exchange Act or exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

NOTICE TO UK RESIDENTS

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

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

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

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

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

EU MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The applicable Final Terms in respect of any series of Trust Certificates will include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Trust Certificates and which channels for distribution of the Trust Certificates are appropriate. Any person subsequently offering, selling or recommending the trust certificates (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Trust Certificates is a manufacturer in respect of such Trust Certificates, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The applicable Final Terms in respect of any Series of Trust Certificates will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Trust Certificates and which channels for distribution of the Trust Certificates are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Trust Certificates is a manufacturer in respect of such Trust Certificates, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

VOLCKER RULE

The Trustee intends to primarily rely on the exemption contained in Section 3(c)(7) of the Investment Company Act; however, one or more other exemptions may be available. Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with the implementing regulations adopted on December 10, 2013, the "**Volcker Rule**") generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from: (i) engaging in proprietary trading; (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund"; and (iii) entering into certain relationships with such funds. Under the Volcker Rule, a "covered fund" includes an issuer that would be an "investment company" but for the exemptions contained in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The Trustee does not make any representation, warranty, covenant or promise with respect to compliance with the Volcker Rule. Any prospective investor in the Trust Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

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

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

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

NOTICE TO RESIDENTS OF OMAN

The information contained in this Base Prospectus does not constitute an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 18/19, as amended) (the "Commercial Companies Law") or Article 3 of the Capital Market Law of Oman (Royal Decree 80/98, as amended) nor does it constitute a sukuk offering pursuant to the Sukuk Regulation issued by the Oman Capital Market Authority (CMA Decision 3/2016). This Base Prospectus will only be made available to investors in Oman in accordance with Article 139 of the Executive Regulations of the Capital Market Law (CMA Decision 1/2009, as amended) (the "Executive Regulations") by an entity duly licensed by the Oman Capital Market Authority to market non- Omani securities in Oman.

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

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

NOTICE TO RESIDENTS IN THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Saudi Arabian Capital Market Authority.

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

NOTICE TO RESIDENTS OF THE STATE OF QATAR

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

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

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

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001, AS AMENDED OR MODIFIED FROM TIME TO TIME

The applicable Final Terms in respect of any Series of Trust Certificates may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Trust Certificates pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA"). If applicable, the Trustee will make a determination and, prior to making any offering of Trust Certificates in Singapore, provide the appropriate written notification to "relevant persons" (as defined in section 309A(1) of the SFA) in relation to each issue about the classification of the Trust Certificates being offered for purposes of section 309B(1)(a) and section 309B(1)(c) of the SFA.

STABILISATION

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

RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

SUSTAINABLE TRUST CERTIFICATES

The Final Terms relating to a specific Tranche of Trust Certificates identified therein as "Sustainable Trust Certificates" (the "**Sustainable Trust Certificates**") will provide that it is the Trustee's intention to apply an amount at least equal to the net proceeds of the issue of such Sustainable Trust Certificates (the "**equivalent amount**"), to finance and/or refinance eligible, in whole or in part, existing projects and/or expenditures ("**Eligible Expenditures**") in accordance with the Government's Sustainable Financing Framework (as amended, supplemented, restated and/or otherwise updated on the Government's website from time to time, the "**Sustainable Financing Framework**"). A prospective investor should have regard to the information set out in the section "*Use of Proceeds*" and seek advice from their independent financial adviser or other professional adviser regarding their purchase of any Sustainable Trust Certificates before deciding to invest and must determine for themselves the relevance of such information, together with any other investigation such investor deems necessary for the purpose of assessing the suitability of an investment in such Trust Certificates in light of its investment criteria, guidelines, requirements or expectations.

No assurance is given by the Trustee, the Government, the Arrangers, the Dealers or any other person that such use of proceeds will meet, in whole or in part, any present or future investment expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required, or intend, to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Sustainable Financing Framework (including but not limited to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "**EU Taxonomy Regulation**") and any related technical screening criteria, the EUGB label or the optional Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**EU Green Bond Regulation**"), the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**"), and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including green, sustainable or social bond principles or other similar principles or guidance published by ICMA (the "**ICMA Principles**"). None of the Arrangers or the Dealers or their respective affiliates have undertaken, nor are they responsible for, any assessment or due diligence of, the Eligible Expenditures, or any related projects or the application, impact or monitoring of the use of the proceeds (or any amount equivalent thereto) of any Sustainable Trust Certificates or the alignment of any Sustainable Trust Certificates with the Issuer's Sustainable Financing Framework or alignment of the Issuer's Sustainable Financing Framework with the ICMA Principles. None of the Arrangers or the Dealers or their respective affiliates have undertaken any due diligence, or makes any representation as to the suitability or contents, of the Sustainable Financing Framework, any second party opinion delivered in respect thereof or any public reporting by or on behalf of the Government in respect of the application of the proceeds of any issue of Sustainable Trust Certificates, all of which are not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

No assurance or representation is or can be given by the Trustee, the Arrangers, the Dealers or any other person that Eligible Expenditures will meet investor expectations or requirements regarding such "green", "environmental", "sustainable", "social" or similar labels (including the EU Taxonomy Regulation or Regulation (EU) 2020/852 as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any related technical screening criteria, the EU Green Bond Regulation, SFDR and any implementing legislation and guidelines, or any similar legislation in the United Kingdom) or any requirements of such labels as they may evolve from time to time, as regards any investment criteria or guidelines with which such investor or its investments are required to comply or that any adverse environmental and/or other impacts will not occur during the implementation of any projects funded by or related to any Eligible Expenditures. Each prospective investor should have regard to the factors described in the Sustainable Financing Framework and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of any Sustainable Trust Certificates before deciding to invest. The Government's Sustainable Financing Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base

Prospectus. The EU Green Bond Regulation will introduce a supervisory regime of external reviewers of European Green Bonds but this is not due to take full effect until 21 June 2026. The Government's Sustainable Financing Framework does not form part of, nor is incorporated by reference, in this Base Prospectus. None of the Arrangers or the Dealers or their respective affiliates shall be responsible for (i) the suitability of any Sustainable Trust Certificates to fulfil environmental, social and/or sustainability criteria required by prospective investors, (ii) whether the equivalent amount will be used to finance and/or refinance Eligible Expenditures, (iii) any assessment of the Eligible Expenditures, or (iv) the ongoing monitoring of the use of proceeds in respect of any such Sustainable Trust Certificates.

None of the Arrangers or the Dealers or their respective affiliates makes any representation or provide any assurance as to the suitability of any Sustainable Trust Certificates, including the listing or admission to trading thereof on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock exchange or securities market, to fulfil any green, social, environmental or sustainability criteria required by any prospective investors. None of the Arrangers or the Dealers or their respective affiliates have undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Expenditures financed or refinanced with the proceeds of the issuance of the Sustainable Trust Certificates, any verification of whether the Eligible Expenditures meet such criteria, the monitoring of the use of proceeds of any Sustainable Trust Certificates (or amounts equal thereto) or the allocation of the proceeds by the Trustee to particular Eligible Expenditures. Each prospective investor should have regard to the information set out in "Use of Proceeds" below and determine for itself the relevance of such information for the purposes of an investment in Sustainable Trust Certificates together with any other investigation it deems necessary.

Any Sustainable Trust Certificates issued under the Programme will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in the Sustainable Financing Framework.

SUPPLEMENTARY BASE PROSPECTUS

If at any time the Trustee and the Government shall be required to prepare a supplementary base prospectus pursuant to Article 23 of the EU Prospectus Regulation, the Trustee and the Government will prepare and make available a supplement to this Base Prospectus which, in respect of any subsequent issue of Trust Certificates to be listed on the Official List and admitted to trading on the Regulated Market, shall constitute a supplementary base prospectus pursuant to Article 23 of the EU Prospectus Regulation.

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

PRESENTATION OF STATISTICAL INFORMATION

The statistical information in this Base Prospectus has been derived from a number of different identified sources. Certain information (for example information relating to the balance of payments and information under the heading "*Monetary and Financial System*") is only available on a federal basis relating to the entire UAE and investors should note that Sharjah's specific position may differ in material respects from the position at an overall federal level. All statistical information provided in this Base Prospectus may differ from that published previously by the Government or that produced by other sources for a variety of reasons, including regular periodic revisions (in common with the approach to the publication of statistics used by other governments), the use of different definitions and cut-off times. See "*Risk Factors – Factors that may affect the Government's ability to fulfil its obligations under Trust Certificates issued under the Programme and the Transaction Documents – Statistical information provided in respect of a certain year may be changed retrospectively in subsequent years when more recent statistical information is published.*" Statistical information provided in respect of a certain year may be changed retrospectively in subsequent years when more recent statistical information is published.

Some statistical information has also been derived from information made publicly available by third parties such as the International Monetary Fund (the **IMF**). Where such third-party information has been so sourced, the source is stated where it appears in this Base Prospectus. Each of the Trustee and the Government 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 third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

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

PRESENTATION OF ECONOMIC INFORMATION

Annual information presented in this Base Prospectus is based upon the calendar year beginning 1 January of each year (which is the fiscal year for the UAE and Sharjah), unless otherwise indicated. Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be the sum of the figures which precede them. Statistical information reported herein has been derived from official publications of, and information supplied by, a number of agencies and ministries of the Government, including the Department of Statistics and Community Development ("**DSCD**") and Sharjah Finance Department. Some statistical information has also been derived from information publicly made available by third parties such as the UAE Federal Competitiveness and Statistics Centre (formerly the Federal Competitiveness and Statistics Authority) (the "**FCSC**") and the UAE Central Bank. Where such third party information has been so sourced, the source is stated where it appears in this Base Prospectus. The DSCD began reporting gross domestic product ("**GDP**") data for Sharjah for 2017 which differs from GDP and other information for Sharjah reported by the FCSC. Each of the Trustee and the Government 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 third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

PRESENTATION OF INFORMATION

Certain Defined Terms and Conventions

References to any individual year are references to a calendar year commencing on 1 January and ending on 31 December in the same year. All references in this document to "**AED**" and "**U.A.E. Dirham**" are to the currency of the UAE; to "**U.S. Dollars**", "**U.S.\$**" and "**\$**" are to the currency of the United States of America. The UAE Dirham has been pegged to the U.S. Dollar since 22 November 1980. The mid-point between the official buying and selling rates for the UAE Dirham is at a fixed rate of AED 3.6725 = U.S.\$1.00. For ease of presentation, certain financial information relating to Sharjah included herein is presented as translated into U.S. Dollars at the U.S. Dollar/AED rates of exchange deemed appropriate by Sharjah. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted into U.S. Dollars at that or any other rate. References to "**SDR**" are to the Special Drawing Right, a unit of account having the meaning ascribed to it from time to time by the rules and regulations of the IMF. References to "**RMB**" are to the lawful currency of the People's Republic of China (the "**PRC**") (which, for the purposes of this Base Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and

Taiwan). References to "**Euros**" or "€" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union. References in this document to "**billions**" are to thousands of millions. References to the "**Government**" are to the Government of the Emirate of Sharjah unless the context otherwise requires. References to "**Sharjah**" and to the "**Emirate**" are to the Emirate of Sharjah. References to the "**UAE**" are to the United Arab Emirates. While the terms "**Federal**" and "**Federation**" are used in this Base Prospectus, the term "**Union**" may be more accurate based upon the definition (*ittihad*) which the founding fathers of the UAE gave in the 1971 Provisional Constitution of the UAE (as amended). However, in line with common parlance, the terms "**Federal**" and "**Federation**" are used throughout where the context so requires.

Foreign Language

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Base Prospectus constitute forward-looking statements. Statements that are not historical facts are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "plan", "seek", "aim", "estimate", "anticipate", "believe", "continue", "could", "should", "would" or similar terminology.

The Government has based these forward-looking statements on its current view with respect to future events. Although the Government believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise, including those identified below or which the Government has otherwise identified in this Base Prospectus, or if any of the Government's underlying assumptions prove to be incomplete or inaccurate, the financial, political or economic condition of Sharjah may vary from that expected, estimated or predicted. Investors are therefore strongly advised to read the sections entitled "*Risk Factors*", "*Description of the Emirate of Sharjah*", "*The Economy of Sharjah*", "*Balance of Payments and Foreign Trade*", "*Monetary and Financial System*", "*Public Finance*", "*Indebtedness*", and "*Appendix – Fiscal Plan*" and other sections of this Base Prospectus which include a more detailed description of the factors that might have an impact on the financial, political or economic condition of Sharjah.

The uncertainties referred to above include, but are not limited to: External factors, such as:

- the impact of changes in the international prices of commodities;
- geopolitical conditions and regional political developments, including conflicts in the Middle East;
- interest rates and inflation rates in financial markets outside Sharjah;
- present and future exchange rates;
- the impact of changes in the credit rating of Sharjah; and
- economic conditions in Sharjah's major export markets.

Internal factors, such as:

- levels of government spending;
- domestic inflation;
- delays in projects and implementation of fiscal reform;
- changes in political, social, legal or economic conditions in the markets in the UAE;
- foreign currency reserves;
- natural disasters; and
- the levels of foreign direct and portfolio investment.

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

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OVERVIEW OF THE PROGRAMME

Words and expressions defined in the "*Terms and Conditions of the Trust Certificates*" (the "**Conditions**") and elsewhere in this Base Prospectus shall have the same meanings in this overview. This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980.

Issuer, Trustee, Purchaser and Lessor	Sharjah Sukuk Programme Limited, an exempted limited liability company incorporated in the Cayman Islands under the Companies Act (As Revised) of the Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.
Trustee's Legal Entity Identifier (LEI)	549300N3BQ9P6RRMVV02.
Obligor, Seller, Lessee, Buyer, Servicing Agent and the Government	The Government of the Emirate of Sharjah, acting through the Sharjah Finance Department.
Arrangers	HSBC Bank plc Standard Chartered Bank
Dealers	Abu Dhabi Islamic Bank PJSC Dubai Islamic Bank PJSC Emirates NBD Bank PJSC HSBC Bank plc Sharjah Islamic Bank P.J.S.C. Standard Chartered Bank and any other Dealers appointed in accordance with the Dealer Agreement.
Delegate	Deutsche Trustee Company Limited.
Principal Paying Agent and Transfer Agent	Deutsche Bank AG, London Branch.
Registrar	Deutsche Bank Luxembourg S.A.
U.S. Paying Agent, U.S. Transfer Agent and U.S. Registrar	Deutsche Bank Trust Company Americas.
Negative Pledge	The Purchase Undertaking contains a negative pledge given by the Government.
Trustee Covenants	The Trustee has agreed to certain restrictive covenants as set out in " <i>Covenants</i> " in the Conditions.

Cross Acceleration

In respect of the Government, the Trust Certificates will have the benefit of a cross-acceleration provision, as described in sub-paragraph (iii) of the definition of "Government Event" corresponding thereto (contained in the Conditions).

Status of the Trust Certificates

Each Trust Certificate evidences an undivided ownership interest of the Certificateholders in the Trust Assets subject to the terms of the Declaration of Trust and the Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Trust Certificate will rank *pari passu*, without any preference or priority, with all other Trust Certificates.

The payment obligations of the Government (in any capacity) under the Transaction Documents to which it is a party in respect of each Series of Trust Certificates will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of the Government and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in the Purchase Undertaking) at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Government from time to time outstanding, provided, further, that the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due under the Transaction Documents to which it is a party and *vice versa*.

Meetings of Certificateholders

The Conditions contain a "collective action" clause which permits defined majorities to bind all Certificateholders.

If the Trustee issues future securities which contain collective action clauses in substantially the same form as the collective action clause in the Conditions, the Trust Certificates would be capable of aggregation with any such future securities. See "*Risk Factors — Risk factors relating to the Trust Certificates — The Conditions contain a "collective action" clause under which the terms of any one Series of Trust Certificates or multiple Series of Trust Certificates may be amended, modified or waived without the consent of all Certificateholders*".

Further Issues

On the relevant Issue Date of any additional Tranche of Trust Certificates issued in accordance with Condition 23 (*Further Issues*): (i) the Government (in its capacity as seller) and the Trustee (in its capacity as purchaser) may enter into a Supplemental Purchase Agreement for the sale, transfer and conveyance of the relevant Additional Assets; and (ii) **provided that** the value of Additional Asset(s) (if any) is less than the aggregate face amount of the additional Trust Certificates, or where no Additional Assets are being purchased by the Trustee (in its capacity as purchaser) from

the Government (in its capacity as seller) in relation to any additional Tranche of Trust Certificates, on receipt of a purchase order from the Government (acting as buyer) and in accordance with the Master Murabaha Agreement, the Government may purchase commodities from Sharjah Sukuk Programme Limited at a Deferred Sale Price equal to the aggregate of: (i) the Murabaha Percentage of the aggregate face amount of the additional Trust Certificates; and (ii) the relevant Profit Amount (as defined in the Master Murabaha Agreement). The Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the relevant existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the relevant Additional Asset(s) (if any) and the relevant Lease Asset(s) (if any) in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Trust Certificates and the Commodity Murabaha Investments (if any) relating to the relevant Series (and all rights arising under or with respect to such Commodity Murabaha Investments, including the right to receive payment of the relevant Deferred Sale Price) is/are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of such existing Trust Certificates and the holders of such additional Trust Certificates.

Use of Proceeds

The net proceeds of each Tranche of Trust Certificates issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents on the relevant Issue Date in the following proportion: (A) the Ijara Percentage of the aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Final Terms towards the purchase from the Government of all of its rights, title and interests in, to and under (in the case of the first Tranche) the Asset(s) and, if applicable (in the case of each subsequent Tranche) the Additional Asset(s) pursuant to the relevant Purchase Agreement; and (B) if applicable, the Murabaha Percentage of the aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Final Terms towards the purchase of commodities to be sold to the Government pursuant to the Master Murabaha Agreement.

In relation to each Tranche of Sustainable Trust Certificates, the equivalent amount will be applied by the Government to finance and/or refinance, in whole or in part, Eligible Expenditures in accordance with the Government's Sustainable Financing Framework.

If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Risk Factors

There are certain factors that may affect the Trustee's and Government's ability to fulfil its respective obligations under the Trust Certificates and the Transaction Documents to which it is a party. See "*Risk Factors*".

Issuance in Series	Trust Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Trust Certificates of each Series will have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue.
Distribution	Trust Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Trustee, the Government and the relevant Dealer(s).
Maturities	The Trust Certificates will have such maturities as may be agreed between the Trustee, the Government and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee, the Government or the relevant Specified Currency.
Denominations	The Trust Certificates will be issued in such denominations as may be agreed between the Trustee, the Government and the relevant Dealer(s), save that: (i) the minimum denomination of each Trust Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency; (ii) the minimum denomination of each Trust Certificate admitted to trading on a regulated market within the EEA or the United Kingdom or offered to the public in a Member State of the EEA or the United Kingdom, in circumstances which require the publication of a prospectus under the EU Prospectus Regulation, will be at least €100,000 (or, if the Trust Certificates are denominated in a currency other than euro, the equivalent amount in such currency, as calculated on the date of issue of the Trust Certificates (the "Issue Date" of the relevant Tranche)); and (iii) unless otherwise permitted by such current laws and regulations, Trust Certificates (including Trust Certificates denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Trustee in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or, if the Trust Certificates are denominated in a currency other than sterling, the equivalent amount in such currency, as calculated on the Issue Date of the relevant Tranche). Unless otherwise stated in the applicable Final Terms, the minimum denomination of each Trust Certificate which may be purchased by a QIB that is also a QP pursuant to Rule 144A

will be U.S.\$200,000 or its equivalent in other Specified Currencies.

Issue Price

Trust Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Trust Certificates to be issued under the Programme will be determined by the Trustee, the Government and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Form of Trust Certificates

The Trust Certificates will be issued in registered form as described in "*Form of the Trust Certificates*".

Clearing Systems

Certificateholders must hold their interest in the relevant Global Trust Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg and/or DTC in relation to any Series, such other clearing system in which the relevant Global Trust Certificate is held. Transfers within and between each of Euroclear or Clearstream, Luxembourg and/or DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system.

Periodic Distributions

Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Final Terms.

Redemption of Trust Certificates on Scheduled Dissolution Date

Trust Certificates shall be redeemed on the Scheduled Dissolution Date at the relevant Final Dissolution Amount specified in the applicable Final Terms.

Optional Dissolution

If so specified in the applicable Final Terms, a Series of Trust Certificates may be redeemed prior to its Scheduled Dissolution Date at the Optional Dissolution (Call) Amount or the Clean Up Call Right Dissolution Amount, as applicable, in the circumstances set out in "*Terms and Conditions of the Trust Certificates — Dissolution at the Option of the Government (Optional Dissolution Call Right)*" or "*Terms and Conditions of the Trust Certificates — Dissolution at the Option of the Government (Clean Up Call Right)*", as applicable.

Dissolution Events

Upon the occurrence of any Dissolution Event, the Trust Certificates may be redeemed on the Dissolution Event Redemption Date at the Dissolution Event Amount (which shall include any accrued but unpaid Periodic Distribution Amount) and the Return Accumulation Period may be adjusted accordingly, as described in "*Terms and Conditions of the Trust Certificates — Dissolution Events*".

Early Dissolution for Tax Reasons

Where the Trustee has or will become obliged to pay any additional amounts in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*) or the Government has or will become obliged to pay any additional amounts in

respect of amounts payable pursuant to any Transaction Document to which is party as a result of a change in the laws of a Relevant Jurisdiction (as defined in the Conditions, but excluding Sharjah) and where such obligation cannot be avoided by the Trustee or the Government, as applicable, taking reasonable measures available to it, the Trustee may, following receipt of an exercise notice from the Government pursuant to the Sale and Substitution Undertaking, redeem the Trust Certificates in whole but not in part at their face amount together with any accrued but unpaid Periodic Distribution Amounts on the relevant Dissolution Date in accordance with Condition 10.2 (*Early Dissolution for Tax Reasons*).

Certificateholder Put Right

If so specified in the applicable Final Terms, Certificateholders may, in the circumstances set out in Condition 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) elect to redeem their Trust Certificates on any Certificateholder Put Right Date(s), **provided that** such date is a Periodic Distribution Date, unless otherwise specified in the applicable Final Terms at the applicable Optional Dissolution Amount (Put) specified in, or determined in the manner specified in, the applicable Final Terms together with all accrued and unpaid Periodic Distribution Amounts in accordance with Condition 10.2 (*Early Dissolution for Tax Reasons*).

Tangibility Event Put Right

If a Tangibility Event occurs, Certificateholders may, in the circumstances set out in Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) exercise their right to redeem their Trust Certificates on any Tangibility Event Put Right Date at the Tangibility Event Dissolution Amount by delivering a Tangibility Event Put Notice within the Tangibility Event Put Period, subject to and in accordance with Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*).

Following the occurrence of a Tangibility Event, as determined in consultation with the *Shari'a* Adviser, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

On the date falling 15 days following the Tangibility Event Put Right Date, the Trust Certificates will be delisted from any stock exchange (if any) on which the Trust Certificates have been admitted to listing.

Total Loss Event

Save where the relevant Lease Asset(s) is/are replaced in accordance with the Servicing Agency Agreement by no later than the 60th day after the occurrence of a Total Loss Event, the occurrence of a Total Loss Event will result in the redemption in whole of the Trust Certificates of that Series and the consequent dissolution of the relevant Trust no later than close of business in London on the 61st day after the occurrence of such Total Loss Event (being the Total Loss

Dissolution Date) in accordance with Condition 10.4 (*Dissolution following a Total Loss Event*).

If a Total Loss Event occurs, the Servicing Agent shall be responsible for ensuring that all proceeds of Insurances in respect thereof (if any) are each paid in the Specified Currency directly into the Transaction Account by no later than the 60th day after the occurrence of the Total Loss Event.

If a Total Loss Event occurs and the relevant Lease Asset(s) is/are not replaced as discussed above, and the amount of the proceeds of Insurances (if any) paid into the Transaction Account is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount paid into the Transaction Account being the "**Loss Shortfall Amount**"), then, provided that the Servicing Agent has not delivered a notice to the Trustee within 60 days after the Issue Date of the first Tranche of the relevant Series and prior to the occurrence of such Total Loss Event in respect of a failure to procure insurance, the Servicing Agent shall be responsible for paying the Loss Shortfall Amount directly into the Transaction Account by no later than close of business in London on the 61st day after the Total Loss Event has occurred, such that the amount standing to the credit of the Transaction Account on the Total Loss Dissolution Date represents the aggregate of the proceeds of Insurances payable in respect of a Total Loss Event (if any) and the Loss Shortfall Amount payable by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement.

Rental payments under the Supplemental Lease Agreement and, therefore, Periodic Distribution Amounts, shall cease to accrue with effect from the date on which a Total Loss Event occurs, and only if the Lease Asset(s) are replaced pursuant to a Lease Asset(s) Amendment Agreement will they recommence. Provided that a Lease Asset(s) Amendment Agreement is entered into following the replacement of the Lease Asset(s), the amount of profit payable on the first Periodic Distribution Date following the date of the Lease Asset(s) Amendment Agreement shall be increased to include the amount of profit that would have accrued prior to the Replacement Date had such Total Loss Event not occurred. Upon the occurrence of a Total Loss Event: (i) from the date of the Trading and Delisting Notice and until any further notice from the Trustee in consultation with the *Shari'a* Adviser, stating otherwise, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); and (ii) on the date of such Trading and Delisting Notice an application will be made for the Trust Certificates of the relevant Series to be delisted from any stock exchange (if any) on which such Trust Certificates have been admitted to listing or if such date is not a business day, on the next following business day ("**business day**" being, for

this purpose, a day on which the stock exchange on which the Trust Certificates are admitted to listing is open for business).

Following a replacement of the Lease Asset(s) of the relevant Series in accordance with the Servicing Agency Agreement, the Servicing Agent shall notify the Trustee of the same and the Trustee shall promptly, following receipt of such notice from the Servicing Agent and in consultation with the Shari'a Adviser, deliver a notice to the relevant Certificateholders in accordance with Condition 17 (*Notices*) that: (1) from the date of that notice the Trust Certificates of the relevant Series may be traded at any price; and (2) the Trust Certificates of the relevant Series shall be re-listed, as soon as reasonably practicable, on the stock exchange (if any) on which the Trust Certificates had previously been admitted to listing.

Partial Loss Event

If a Partial Loss Event shall occur with respect to any of the Lease Assets and provided that: (a) the Lease Assets have not been replaced pursuant to the Servicing Agency Agreement and a notice of termination of the lease on the 61st day after the Partial Loss Event Date (a "**Partial Loss Termination Notice**") has been delivered by the Lessee to the Lessor within a period of 30 days after the Partial Loss Event Date; or (b) such Lease Assets have not been replaced pursuant to the Servicing Agency Agreement, without prejudice to any right or remedy that the Lessor may have under any Transaction Document or by law, the Lease shall automatically terminate on the 61st day after the Partial Loss Event Date (the "**Partial Loss Termination Date**") in accordance with the Supplemental Lease Agreement and further rental payments shall cease to be due on such Partial Loss Termination Date in accordance with the Supplemental Lease Agreement and the Lessor will be entitled to all proceeds of the insurances payable as a result of the Partial Loss Event. The termination of the Lease on the Partial Loss Termination Date as a result of either of the circumstances described in (a) or (b) above shall constitute a "Government Event".

Upon the occurrence of a Partial Loss Event and if, as a result of a Partial Loss Event, the ratio of: (a) the Value of the Lease Asset(s) of that Series (which for this purpose shall exclude any Impaired Lease Asset(s)) to the aggregate of the Value of the Lease Asset(s) of that Series and, if applicable for such Series, the aggregate amounts of Deferred Sale Price then outstanding applicable to such Series at such time, falls below 33 per cent.: (i) from the date of the Trading and Delisting Notice and until any further notice from the Trustee, in consultation with the *Shari'a* Adviser, stating otherwise, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); and (ii) on the date of such Trading and Delisting Notice, an application will be made for the Trust Certificates of the relevant Series to be delisted from any stock exchange (if any) on which such Trust Certificates have been admitted to listing or if such date is not a business day, on the next following business day. In respect of a Partial Loss Event, following a replacement of the

Impaired Lease Asset(s) of the relevant Series in accordance with the Servicing Agency Agreement, the Servicing Agent shall notify the Trustee of the same and the Trustee shall promptly, following receipt of such notice from the Servicing Agent and in consultation with the *Shari'a* Adviser, deliver a notice to the relevant Certificateholders in accordance with Condition 17 (*Notices*) that: (1) from the date of that notice the Trust Certificates of the relevant Series may be traded at any price; and (2) the Trust Certificates of the relevant Series shall be re-listed, as soon as reasonably practicable, on the stock exchange (if any) on which the Trust Certificates had previously been admitted to listing.

Substitution of Lease Asset(s)

Pursuant to the Sale and Substitution Undertaking, the Government may, at any time, exercise its right to require the Trustee to substitute on any Substitution Date some or all of the relevant Lease Asset(s) with New Asset(s) (as specified in the relevant Substitution Notice, and each as defined in the Sale and Substitution Undertaking) having a value which is equal to or greater than the value of the relevant Lease Asset(s) being substituted.

Withholding Tax

All payments in respect of Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction, unless the withholding or deduction is required by law. In that event, the Trustee shall, save in the limited circumstances provided in Condition 12 (*Taxation*), be required to pay such additional amounts as will result in the receipt by the Certificateholders of such amounts as would have been received by them, had no such withholding or deduction been required.

Further, in accordance with the terms of the Master Declaration of Trust, the Government has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 12 (*Taxation*), pay to or to the order of the Delegate (for the benefit of the Certificateholders) an amount equal to the liability of the Trustee in respect of any and all additional amounts required to be paid by the Trustee in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*).

All payments by the Government (in any capacity) under the Transaction Documents to which it is a party shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction unless the withholding or deduction is required by law. In that event, the Government shall be required to pay such additional amounts as will result in the receipt by the Trustee or the Delegate (as applicable) of such amounts as

would have been received by it, had no such deduction or withholding been required.

ERISA

Employee benefit plans, plans and other entities subject to Part 4 of Subtitle B of Title I of ERISA, section 4975 of the Code or any Similar Laws may not acquire Trust Certificates (or any interest therein). See "*Certain ERISA and Related Considerations*".

Ratings

Sharjah has been assigned a long- and short-term foreign and local currency sovereign credit rating of BBB- and A-3 by S&P with a stable outlook and a long-term issuer rating of Ba1 by Moody's with a stable outlook.

The ratings assigned to each Series of Trust Certificates (if any) to be issued under the Programme will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold the Trust Certificates (or beneficial interests therein) and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Whether or not each any credit rating applied for in relation to the relevant Series of Trust Certificates will be issued by a credit rating agency established in the EEA or the United Kingdom and registered under the EU CRA Regulation or the UK CRA Regulation will be disclosed in the applicable Final Terms.

Listing and admission to trading

Application will be made to: (i) Euronext Dublin for each Series of the Trust Certificates issued under the Programme to be admitted to the Official List and to trading on the Regulated Market; (ii) the DFSA for the Trust Certificates to be admitted to listing on the DFSA Official List and to the Nasdaq Dubai for the Trust Certificates to be admitted to trading on Nasdaq Dubai, or (iii) as otherwise specified in the applicable Final Terms and references to listing shall be construed accordingly. As specified in the applicable Final Terms, a Series of Trust Certificates may be unlisted.

Irish Listing Agent

Arthur Cox Listing Services Limited of Ten Earlsfort Terrace, Dublin 2, Ireland.

Governing Law and Dispute Resolution

The Trust Certificates and any non-contractual obligations arising out of, or in connection with, the Trust Certificates shall be governed by, and construed in accordance with, English law.

The Master Declaration of Trust, each Supplemental Declaration of Trust, the Dealer Agreement, each Subscription Agreement, the Agency Agreement, the Master Murabaha Agreement, the Servicing Agency Agreement, the Purchase Undertaking and the Sale and Substitution Undertaking and any non-contractual obligations arising out of, or in connection with, the aforementioned documents shall be governed by, and construed in accordance with English

law. In respect of any dispute under any such Transaction Document to which it is a party, the Government has consented to arbitration in London under the rules of arbitration of the London Court of International Arbitration ("LCIA") (with the seat in London). The Government has also agreed to submit to the exclusive jurisdiction of the courts of England (the "**English Courts**") in respect of any dispute under any such Transaction Document, at the option of the Trustee or the Delegate (as the case may be) (subject to the right of the Delegate, the Agents or the Trustee, as the case may be, to require any dispute to be resolved by any other court of competent jurisdiction).

The Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Lease Agreement, each Supplemental Lease Agreement and each Sale Agreement will be governed by the laws of Sharjah and, to the extent applicable in Sharjah, the federal laws of the UAE, and will be subject to the exclusive jurisdiction of the Sharjah courts.

Waiver of Immunity

Each of the Trustee and the Government has agreed in the Transaction Documents to which it is a party that to the extent that it may in any jurisdiction claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal or arbitral proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it has agreed not to claim and irrevocably and unconditionally waives such immunity to the full extent permitted by the laws of that jurisdiction in relation to any proceedings or disputes. Further, each of the Trustee and the Government has irrevocably and unconditionally consented to the giving of any relief or the issue of any legal or arbitral proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any proceedings or disputes.

Limited Recourse

Each Trust Certificate represents solely an undivided ownership interest in the Trust Assets of the relevant Series. No payment of any amount whatsoever shall be made in respect of the Trust Certificates of each Series except to the extent that funds for that purpose are available for the Trust Assets of that Series, as described in "*Terms and Conditions of the Trust Certificates — Status and Limited Recourse*".

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Trust Certificates in the United States, the United Kingdom, the EEA, the Kingdom of Bahrain, the Sultanate of Oman, the Kingdom of Saudi Arabia, the State of Qatar (including the Qatar Financial Centre), the Cayman Islands, the UAE (excluding the ADGM and the DIFC), the ADGM, the DIFC, the State of Kuwait, Hong Kong, Singapore, Switzerland and Malaysia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Trust Certificates. See "*Subscription and Sale and Transfer and Selling Restrictions*" below.

U.S. Selling Restrictions

Regulation S, Category 2. Rule 144A. Section 3(c)(7) under the Investment Company Act.

RISK FACTORS

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

FACTORS THAT MAY AFFECT THE GOVERNMENT'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER TRUST CERTIFICATES ISSUED UNDER THE PROGRAMME AND THE TRANSACTION DOCUMENTS

Risk factors relating to the Trustee

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

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

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

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

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

Risks relating to the Government, Sharjah and the UAE

The Government's Fiscal Plan may not be successful

In January 2023, the Government announced a medium-term financial outlook and fiscal plan (the "**Fiscal Plan**"). Through the Fiscal Plan, the Government for the first time set out its multi-year, medium term-financial plans. The Government plans to balance the primary budget (the budget excluding interest expense on indebtedness) by 2027 and until at least 2030. The Fiscal Plan details various policy measures, planned budgetary limits and the expected economic and regulatory developments in terms of their impact on revenues and expenditures between 2023 and 2030. The Fiscal Plan also contains a fiscal forecast of how revenues and expenditures are expected to evolve between 2023 and 2030. This fiscal forecast is subject to a degree of uncertainty and contains a number of assumptions and does not address all the fiscal risks that

the Government may face. For example, increased interest rates present a risk for the Government but do not impact the Government's primary budget which excludes interest expense. The assumptions include, among others, certain forecast items, some of which are outside of the Government's control, as well as certain measures that the Government is planning to take to change policy or practice in order to change the trajectory of the Government's revenues and expenditures. Some of the measures in the fiscal forecast are still under development and remain subject to revision of the applicable policy or the expected financial effect. In addition, the Government may choose to bring forward additional policy changes that may affect this forecast. The Government introduced the Fiscal Plan in order to address the Government's increased public borrowing in order to fund a substantial expansion of its activities and the increasing budget deficit in recent years, which has resulted in the accumulation of public debt. Given the Government's relatively small revenue base compared to most other governments, the Government's interest/revenue ratio has reached high levels compared to international norms reaching approximately 20.6 per cent in 2022, 27.5 per cent. in 2023 and 27.5 per cent. in 2024. Any inability of the Government to effectively implement the Fiscal Plan whether due to external or internal factors may have a long-term negative impact on Sharjah's economy, which, in turn, could negatively affect the Government's fiscal position and, consequently, its ability to fulfil its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party. The complete Fiscal Plan is attached as an appendix to this Base Prospectus. For more information on the Fiscal Plan, see "*Description of the Emirate of Sharjah – The Government's Economic Strategy – 2023 Fiscal Plan*".

Global financial conditions and geopolitical conditions may have an impact on Sharjah's economic and financial condition

Sharjah's economy may be adversely affected by tightening global economic conditions and external shocks, including financial market and interest rate volatility, trade disruptions, the ongoing conflicts between Russia and Ukraine and between Israel and its adversaries, the overthrow of the Syrian government, as well as global pandemics such as the COVID-19 pandemic. A global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could negatively impact Sharjah's economy and prospects.

Middle-East conflicts

In October 2023, *Israel* invaded the Gaza strip in response to an attack by Hamas, the political and military authority in control of Gaza, on southern *Israel*. Although ceasefires have been agreed between Israel and Hamas from time to time, and between Israel and Hezbollah, a political and military force allied with Iran and operating in Lebanon, these conflicts remain ongoing. Since November 2023, al-Houthi rebels in Yemen, who have in the past attacked interests in the UAE, have launched several attacks on commercial shipping vessels in the Red Sea. The United States and its allies, including the United Kingdom, have responded with a series of missile strikes against al-Houthi rebels. Other regional organisations have also attacked U.S. military forces in the region, provoking a response from the United States.

In mid-April 2024, Israel attacked an Iranian diplomatic building in Damascus, killing officers in Iran's Islamic Revolutionary Guards, prompting Iran to launch a combined missile and drone attack on Israel. More recently, Israel has conducted strikes against Hezbollah in Lebanon and a strike on military assets in Iran. In June 2025, Israel and the United States launched multiple attacks against military and nuclear installations in Iran, and Iran retaliated by launching missile strikes against Israel and a U.S. military base in Qatar. Several countries in the Middle East closed their air spaces for a time, foreign governments began evacuating their diplomatic personnel and the United States announced the deployment of additional naval forces into the region. Although there is currently a ceasefire in place, it is not possible to predict any further escalations or attacks or the wider impact of such actions, but should they continue, they might have a material adverse effect on the Issuer's business, financial condition and/or results of operations. Any continuation or increase in international or regional tensions, including attacks on or seizures of oil tankers in the Arabian Gulf, the resurgence of armed conflict between Israeli and Hamas or Israel and Hezbollah or continued attacks on commercial shipping in the Red Sea, could have a destabilising impact on the Middle East region, and the UAE in particular, by affecting its ability to export oil and maintain its security more generally.

Monetary policy

The U.S. Federal Reserve Board started a monetary tightening cycle in March 2022 to curb inflation, which was followed by other central banks. The cycle of interest rate increases continued during 2023. In July 2023, the United States Federal Reserve Board increased its base rate to 5.25 per cent. As a result, the UAE

Central Bank also increased its base rate to 5.4 per cent. These decisions led to a markedly higher interest rate environment for both short-term market benchmark borrowing rates, such as SOFR and EIBOR, and longer-term benchmarks such as U.S. treasury bonds and SOFR and EIBOR swap rates. However, in September 2024, the United States Federal Reserve Board announced a base rate decrease from 5.25 per cent. to 4.75 per cent. and the UAE Central Bank also decreased its base rate from 5.4 per cent. to 4.90 per cent. The Federal Reserve further cut its benchmark interest rate by 0.25 percentage points in November 2024, which the UAE Central Bank matched. It is unclear if this trend of decreasing interest rates will persist or what impact these decreases will have on Sharjah's economy, the UAE or the global economy in general. Furthermore, there can be no assurances that rates will continue at their current level or not increase again.

Future aggressive or unexpected monetary policy tightening by the U.S. Federal Reserve could shock the markets, adversely affecting asset prices and ultimately economic growth. While global inflation is projected to decline to 4.3 per cent. in 2025 and 3.6 per cent. in 2026 (source: IMF, World Economic Outlook April 2025), considerable uncertainty surrounds these inflation projections. Various factors which contributed to shaping inflation outlook in the past few years, including the Russia/Ukraine conflict, trade disruptions and the Israel/Gaza and Israel/Lebanon conflicts, which caused increases to energy prices and food prices (due to disruptions in the supply of commodities such as wheat, corn and fertilisers) still persist and other conflicts, such as between Israel, the United States and Iran have since emerged. These factors are likely to impact global economic conditions and prolong uncertainty in the global economy.

Sharjah has an open economy, with high levels of imports and exports relative to GDP, monetary policy set by the UAE Federal Government (the **Federal Government**) and a currency pegged to the U.S Dollar by the UAE Central Bank. This means that shifts in global economic conditions such as those listed above are likely to affect economic performance in Sharjah, through changes in the balance of payments, the efficiency of supply and delivery chains and the openness of international markets for trade. In addition, higher benchmark borrowing rates increase the cost of Sharjah's floating-rate indebtedness and Sharjah's fixed-rate indebtedness incurred following an increase in benchmark rates; other things being equal, this will lead to higher annual fiscal deficits.

The Government of Sharjah has made efforts to stimulate its private sector-driven economy by increasing volumes of foreign investment and tourism and has focused on creating a favourable business environment, with a legal and regulatory environment conducive to business success and aimed at attracting foreign and domestic investment. While the Government believes there are many incentives for foreign corporate entities to establish themselves in one of the free zones in Sharjah, such as 100 per cent. foreign ownership, a low-tax environment, free transfer of funds, competitive pricing, a one-stop shop for business services and long lease periods, there is no assurance that these will be sufficient to attract foreign direct investment or that other countries may not offer more attractive conditions. Sharjah's economy also depends, to a large extent and similar to other emirates, on expatriate labour. This makes Sharjah potentially vulnerable should there be a deterioration in local political stability for any reason, if it were to lead the Government to tighten controls on the flow of labour or capital. These changes could in turn make Sharjah a less attractive destination for businesses and individuals. There can be no assurance that the economic performance of Sharjah or the UAE can or will be sustained in the future. To the extent that economic growth or performance in the UAE slows or begins to decline, this could have an adverse effect on Sharjah (see "*The Economy of Sharjah*") and, therefore, the Government's fiscal position, which in turn could negatively affect the Government's ability to fulfil its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party.

Sharjah has strong trading relationships with the other emirates within the UAE and with other countries, being part of the global supply chain and a consumer of goods from around the world. Any sustained market and economic downturn or geopolitical uncertainties in any of Sharjah's key trading partners may materially impact Sharjah's trade with those countries and could have a negative impact on Sharjah's foreign trade and balance of payments. A global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could affect investor sentiment and slow tourism, trade and investment in Sharjah. For example, the United States has throughout 2025 announced on-and-off-again tariffs on goods from all its trading partners, including the UAE, in the expectation of negotiating new trade agreements. It is unclear whether such tariffs will remain in place, be strengthened or eliminated or what impact they will have on the global economy or whether new trade agreements will be agreed and what those agreements will entail. Furthermore, any escalation in geopolitical tensions, including as a result of the Israel/Gaza, Israel/Lebanon, Israel/Iran or Russia/Ukraine conflicts, upward trends in global inflation and interest rates and/or increased use of protectionist measures may negatively

impact Sharjah's relationships with its trading partners and the attractiveness of the UAE (and, consequently, Sharjah) for foreign investment and capital, its ability to engage in international trade and, consequently, its economy and its financial condition. A material adverse effect on Sharjah's economy or its financial condition as a result of the above factors could negatively affect the Government's ability to fulfil its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party.

The Government has a relatively narrow revenue base

The Government has a relatively narrow revenue base. For the year ended 31 December 2024, Sharjah's total revenue was AED 15.7 billion, an increase of 9.0 per cent. compared with total revenues of AED 14.4 billion in 2023, which in turn reflected an increase of 30.9 per cent. compared with total revenues of AED 11.0 billion in 2022, set against a GDP of AED 161.5 billion in 2024 (preliminary data), AED 149.0 billion in 2023 and AED 139.8 billion in 2022. Sharjah's relatively modest revenue reflects in part the fact its expenditure requirements are similarly relatively modest, owing to the significant public policy functions carried out by the Federal Government, but also constitutional and economic constraints on the Government's ability to increase revenues.

With the exception of a levy on the profits of foreign banks and hydrocarbon extraction, there is no traditional direct tax in the Emirate of Sharjah, although the Federal Government imposes a value added tax at the rate of 5 per cent. and an excise duty on certain goods, and introduced corporate income tax. The Federal Government collects both value added tax and corporate income tax across the UAE, distributing the proceeds to each of the seven emirates according to agreed methodologies while retaining a portion to cover the running costs of the taxes and to contribute to the Federal budget. In Sharjah, value added tax generated AED 1.9 billion in 2022, AED 2.2 billion in 2023, AED 2.2 billion in 2024 and is budgeted to generate AED 2.7 billion in 2025. In addition, the Federal Government has imposed a corporate tax for profits earned starting on or after 1 June 2023. The corporate income tax applies on the adjusted accounting net profits of a business, and at a standard statutory tax rate of 9 per cent. to taxable profits in excess of AED 375,000. A different rate (which has not been announced yet) is envisaged for large multinationals that generate consolidated global revenues above approximately AED 3.15 billion, in line with Pillar Two of the OECD Base Erosion and Profit Shifting project. Sharjah has not assumed any revenue from the corporate income tax in its budget for 2025. Further details regarding the corporate income tax are expected to be published by the UAE Ministry of Finance in due course. Corporate tax incentives currently offered to free zone businesses will remain in place.

Whilst this overall beneficial tax environment provides an incentive for businesses and wage earners to relocate to Sharjah, it potentially limits the Government's ability to fund its operations (including debt servicing) or increase public spending if necessary, which may adversely affect Sharjah's growth and revenue generation strategy and impact the Government's ability to satisfy its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party and may also adversely affect the ability of Sharjah to take further economic stimulus measures and counter the effects of any economic downturn.

The Government's direct debt has increased substantially in recent years, and the Government may in the future elect to provide financial support to Government-owned or important local companies, which could increase Sharjah's budget deficit and its funding needs

In recent years the Government has experienced a marked increase in gross debt, both in nominal terms and as a percentage of its GDP, increasing from AED 62.6 billion in 2022 (45.7 per cent. of its 2022 GDP), to AED 75.1 billion in 2023 (51.7 per cent. of its 2023 GDP), and reaching AED 85.9 billion in 2024 (53.2 per cent. of its 2024 GDP). The increase in debt has been driven by persistently large budget deficits, relative to revenues and GDP. This is primarily due to Government spending related to capital investment (particularly including infrastructure intended to ensure ongoing connectivity and economic opportunity in the outlying regions of the Emirate of Sharjah), public service provisions and social security. The deficit reached AED 8.7 billion in 2022 (6.2 per cent. of 2022 GDP), AED 8.7 billion in 2023 (5.8 per cent. of 2023 GDP) and is preliminarily estimated to be AED 9.8 billion in 2024 (8.1 per cent. of 2024 GDP). The budgeted deficit for 2025 is AED 9.5 billion.

In addition, the Government has in the past provided significant financial support to important companies in Sharjah. For example, in 2019 there was a transfer of Government-guaranteed debt from a real estate developer in Sharjah to the Government's balance sheet which contributed to an increase in the Government's debt burden. Also, in December 2018, the Government agreed to support the capital

requirements of Invest Bank P.S.C. ("**Invest Bank**"). An initial injection of AED 1,115 million was made in April 2019, giving the Government of Sharjah a 50.07 stake in Invest Bank. The second phase of capital support was completed in December 2023 and consisted of the Government participating *pro rata* in, and underwriting the remaining portion of, an issuance of new shares, and the Government issuing a guarantee of up to AED 3.0 billion against final write-offs of legacy assets over a five-year period, with the annual claims capped at AED 800 million. Following the new share issuance, the Government, through its instrumentalities, including Sharjah Asset Management and Sharjah Social Security Fund, became the 88.11 per cent. majority shareholder in Invest Bank. Invest Bank used the proceeds of the share issuance to pay a one-off upfront fee of AED 2.6 billion to the Government in respect of the guarantee. While the budget for 2025 and the projections for years 2025 to 2027 in the Fiscal Plan reflect a balanced forecast of the annual cost of the Invest Bank guarantee to the Government, there is a risk that the actual calls on the guarantee could be higher. In addition, the Government may face pressure to provide further financial support to Invest Bank in the future if the second phase of capital support does not fully meet Invest Bank's capital requirements. The Government makes annual budgetary provision in relation to this capital support and has not provide any material recent capital support in addition to the above.

In June 2023, the Government injected AED 800 million capital into Bank of Sharjah ("**BoS**"), in which it was already the largest shareholder (through Sharjah Asset Management), holding 17.16 per cent. of outstanding shares, thereby increasing its shareholding to 39.25 per cent.

Although the Government has no legal obligation to do so, it may, in the future, choose to provide additional financial support to other government-owned or important local companies if they were faced with difficulties that threatened the reputation or economic health of Sharjah. Any such support could be significant in the context of Sharjah's budget deficit, increase its funding needs and costs of borrowing and entail substantial fiscal outflows, which in turn could negatively affect the Government's ability to fulfil its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party.

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

While the UAE (and consequently Sharjah) is seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not, and there is a risk that regional geopolitical instability could impact the UAE. Instability in the Middle East may result from a number of factors, including government or military regime change, civil unrest or terrorism. Currently, several countries in the Middle East and North Africa ("**MENA**") region, including Israel, Lebanon, Gaza, Yemen, Syria, Libya and Iraq are subject to armed conflicts and/or social and political unrest, including conflicts or disturbances (see "*Global financial conditions and geopolitical conditions may have an impact on Sharjah's economic and financial condition*").

This unrest has ranged from public demonstrations to, in extreme cases, armed conflict and civil war and has given rise to a number of regime changes and increased political uncertainty across the region. For example, in December 2024, after years of civil war, the government of Syria was overthrown by opposition forces led by Hay'at Tahrir al-Sham, which is designated as a terrorist organisation by several countries, including the United States, the United Kingdom and the European Union. Such social unrest and other political and security concerns may not abate, may worsen and may spread to additional countries.

Additionally, other countries' sanctions may affect Sharjah's ability or willingness to trade. For example, the United States and the European Union's sanctions have affected Sharjah's trading relationship with Iran. In addition, in August 2021, armed personnel backed by Iran were suspected of seizing an oil tanker off the coast of the UAE. Iran has denied involvement. Furthermore, on 17 January 2022, Iran-supported Houthi militants launched missile attacks on ADNOC facilities in Abu Dhabi. Three attacks occurred in subsequent weeks, the most recent of which, on 3 February 2022, was claimed by an Iraqi militia group. The attacks were followed by air strikes by UAE armed forces across targets in Yemen. Although the UAE continues to exercise de-escalation diplomacy and self-restraint, any continuation of, or increase in, international or regional tensions with Iran, including further attacks on or seizures of oil tankers that disrupt international trade and impair trade flows through the Strait of Hormuz, or any military action, may have a destabilising impact on the MENA region. There can be no assurance that tensions will not continue to escalate in the region, or that further attacks will not happen. Furthermore, there can be no assurance what impact recent and future incidents will have on global oil prices.

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

Sharjah, similar to the other emirates in the UAE, is also dependent on expatriate labour (ranging from unskilled labourers to highly skilled professionals in a range of industry sectors) and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the Emirate. These steps make it potentially more vulnerable should regional instability increase or foreign militants commence operations in the Emirate. There can also be no assurance of the continued availability of expatriate labour with appropriate skills.

Any of the foregoing circumstances could have a material adverse effect on the political and economic stability of the Middle East and, in particular, could impact the numbers of tourists that choose to visit the UAE and Sharjah and the number of businesses interested in doing business in the UAE and Sharjah. Sharjah is, and will continue to be, affected by economic and political developments in or affecting the UAE and the wider MENA region and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including the UAE. Although the UAE has not experienced significant terrorist attacks such as those experienced by a number of countries in the MENA region, there can be no assurance that extremists or terrorist groups will not initiate violent activity in the UAE. Any terrorist incidents, including cyber-terrorism, in or affecting the UAE and increased regional geopolitical instability (whether or not directly involving the UAE) may have a material adverse effect on the UAE's (and, consequently, Sharjah's) attractiveness for foreign investment and capital, its ability to engage in international trade and, consequently, its economy and financial condition. A material adverse effect on Sharjah's economy or the Government's financial condition as a result of the above factors could negatively affect the Government's ability to fulfil its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party.

The UAE's economy is significantly affected by volatility in international oil prices and its economy has in the past been, and is likely in the future to continue to be, adversely affected by lengthy periods of low oil prices

Sharjah is not a large oil producer (with the mining and quarrying sector, which includes crude oil and natural gas, accounting for 1.9 per cent. of Sharjah's nominal GDP in 2024) and it enjoys a relatively diverse economy. However, Sharjah's economy is highly integrated with the other emirates, some of which are significant producers of crude oil, in the UAE through trade, currency, a common banking system and fully open markets. Therefore, any effect of oil price volatility may have a consequent effect on Sharjah. The UAE's economy, in particular Abu Dhabi's and to a lesser extent Dubai's, is significantly impacted by international oil prices. The mining and quarrying sector, which includes crude oil and natural gas, accounted for 16.9 per cent. of the UAE's nominal GDP in 2020, 23.6 per cent. in 2021, 29.2 per cent. in 2022, 23.5 per cent. in 2023 (according to a UAE government economic survey for 2023), and 22.0 per cent. in 2024 (preliminary estimate).

According to data from the Organization of the Petroleum Exporting Countries ("OPEC"), as at 31 December 2024, the UAE had crude oil reserves estimated to be 113,000 million barrels, equal to 7.2 per cent. of OPEC's estimate for the world's total proven crude oil reserves. As at the same date, OPEC estimated the UAE's natural gas reserves to be 8,210 billion standard cubic metres (or 290 trillion standard cubic feet (SCF)), equal to 4.0 per cent. of OPEC's estimate for the world's total natural gas reserves.

As oil is a significant export for the UAE, any change in oil prices affects various macroeconomic and other indicators, including, but not limited to, GDP, government revenues, balance of payments and foreign trade. International oil prices are volatile. For example, the volatility in oil prices in 2020 and 2021 was significantly correlated to the restrictions and lockdowns imposed globally to address the COVID-19 pandemic. The OPEC Reference Basket price was U.S.\$41.47 in 2020 (principally reflecting the COVID-19 related impacts), U.S.\$69.89 in 2021 and U.S.\$100.08 in 2022 (principally reflecting the impact of supply concerns caused by the Russian invasion of Ukraine in early 2022 and the international sanctions imposed on Russia as a result). More recently, the Reference Basket was U.S.\$82.95 in 2023, reflecting adjustments in the sanctions regime at the end of 2022 and generally lower demand than expected, and

U.S.\$79.89 in 2024, reflecting eased sanctions, lower global demand, and increased supply. The monthly OPEC Reference Basket price for June 2025 was U.S.\$68.87. In addition, in 2022, a bill in the U.S. Congress was proposed called the No Oil Producing and Exporting Cartels bill, which is intended to protect consumers and businesses from engineered spikes in the cost of gasoline and heating oil. Numerous iterations of this bill have been proposed in Congress since 1999, but all attempts to pass such bill have so far been unsuccessful, including the attempt in 2022. In March 2023, the bill was revived in Congress, but it is still unclear if the bill will be passed into law. It is also unclear the exact effect that this bill could have on oil prices but there are concerns that such a bill, if passed, could disrupt the established system of oil production, which could result in oil prices increasing by as much as 300 per cent. Such an increase could have significant and unpredictable consequences on the global economy and on Sharjah in particular given it is not a large oil producer.

Prospective investors should be aware that the above analysis does not take into account the indirect impact of low oil prices on the UAE's, and Sharjah's, economy, which is difficult to quantify with any precision. Prospective investors should note that many of the UAE's other economic sectors are in part dependent on the hydrocarbon sector. For example, if the hydrocarbon section is negatively impacted, the financial institutions sector (and banks in particular) may experience lower liquidity (if significant government and government-owned company deposits are withdrawn to fund deficits) or higher loan losses or impairments. The Federal Government may also decide, as it has done in the past, to further reduce Government expenditures in light of the budgetary pressures caused by low or falling oil prices. As fiscal spending on infrastructure and investment projects is a driver of credit to public sector entities and private contractors and bank credit for personal lending is partly driven by public sector wages, if this spending is cut and public sector wages come under pressure, this could, potentially, increase levels of non-performing loans ("NPLs") held by Sharjah banks and/or lead to tighter lending conditions throughout Sharjah's economy. In addition, large Government fiscal deficits, which may in time result in restrictions on Government spending, could also impact many other sectors of the economy, including in particular the construction sector to the extent that large projects are delayed or cancelled. Furthermore, sectors that depend on household consumption, including education, healthcare and housing, may be adversely affected by lower levels of economic activity that may result from lower Government revenue from hydrocarbon production.

Crude oil prices have historically been volatile and are affected by a range of factors beyond Sharjah's control, including:

- global economic and political conditions as well as economic and political developments in oil producing regions, particularly in the Middle East;
- regional and global tensions and conflicts such as between Israel and its regional adversaries (including Hamas in Gaza, Hezbollah in Lebanon and Houthis in Yemen), between Israel and the United States and Iran, and between Russia and Ukraine;
- the Israel-Gaza, Israel-Lebanon, Israel/United States - Iran and Russia-Ukraine conflicts;
- oil price caps on Russian oil imposed by, *inter alia*, the European Union, Australia, Canada, France, Germany, Italy, Japan, the United Kingdom and the United States, as a result of the Russia-Ukraine conflict;
- global and regional supply and demand, and expectations regarding future supply and demand, for hydrocarbon products, including the prices and availability of alternative fuels or new technologies using different fuels (and those motivated by climate change concerns);
- the ability of members of OPEC and other crude oil producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions;
- other actions taken by major crude hydrocarbon producing or consuming countries;
- global weather and environmental conditions; and
- global pandemics, such as the COVID-19 pandemic.

There can be no assurance that these factors, whether individually or in combination with others, will not result in a shock to oil prices. Such oil price volatility has the potential to adversely affect Sharjah's economy and public finances in the future, both directly, through hydrocarbon revenues, and indirectly, through the reduced spending power of governments, companies and individuals in the region, which could, in turn, affect the trade, construction, real estate, tourism and banking sectors, in particular. As a result, there can be no assurance that the UAE's economy, or Sharjah's economy, will not be materially adversely affected by periods of low oil prices. A material adverse effect on Sharjah's economy or its financial condition, as a result of periods of low oil prices could negatively affect the Government's ability to fulfil its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party.

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

Sharjah shares legal, political, military and economic functions with the other emirates of the UAE as a result of the federal framework. Its economy is highly integrated with the other emirates in the UAE through trade, currency, a common banking system and fully open markets. For example, the Government is not responsible for monetary policy or maintaining the peg to the U.S. Dollar, which are both the responsibility of the Federal Government. However, the Trust Certificates issued are not guaranteed by the Federal Government of the UAE. Limited monetary policy control prevents the Government from responding to macroeconomic conditions, which may affect Government spending and liquidity within Sharjah; changing macroeconomic conditions are likely to affect Sharjah's economy indirectly through their impact on the trade, construction, real estate and banking sectors, given, in particular, the openness of Sharjah's economy, which does not have any capital or exchange controls. In addition, the Federal Government may take action in respect of monetary policy that benefits the UAE economy, as a whole, but does not have the same favourable impact on Sharjah. The inability of the Government to respond or react to such conditions through monetary policy may have a long-term negative impact on its economy as a whole, which, in turn, could negatively affect the Government's ability to fulfil its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party.

Sharjah's budget is prepared on a near-cash basis, which means that Sharjah's stated deficit may not be fully reflective of all of the expenditure and revenue which would be recognised by the Government in a particular period if international financial reporting standards were applied

Similar to many governments, the Government prepares its budget on a near-cash basis. This means that flows are largely recorded when cash is received or disbursed, with some minor timing differences (for example, in the case of cheque payments). Although non-monetary flows can be recorded, most accounting systems (including that used in Sharjah) using a near-cash basis do not record non-monetary flows because the focus is on liquidity management rather than resource flows. In addition, with respect to accounting for revenues and expenditure, the time of recording may diverge significantly from the time of the economic activities and transactions to which they relate. For example, the time cost of a zero-coupon bond, a proxy for interest, would not be recorded until the bond matured, which could be many years after the expense was incurred; and the cost of building or buying an asset would be recorded upfront, rather than through the depreciation of that asset over time. Accordingly, the Government's stated budget may deviate significantly from an accrual-based system of financial reporting, such as International Financial Reporting Standards (IFRS), and may comparatively under- or over-state the incurrence of future liabilities, which, in turn, could in some scenarios, negatively affect the Government's ability to fulfil its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party.

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

The statistical information in this Base Prospectus in relation to GDP, balance of payments, revenues and expenditure and indebtedness of the Government has been derived from a number of different identified sources, such as the Federal Government's official statistical authority, the FCSC; Sharjah's official statistical authority, Department of Statistics and Community Development (the DSCD); and the published reports of the UAE Central Bank. Furthermore, certain information (for example information relating to the balance of payments and information under the heading "*Monetary and Financial System*") is only available for the UAE as a whole from institutions of the Federal Government, and prospective investors should note that Sharjah's position may differ in material respects from the position at an overall UAE level. Statistical information provided in this Base Prospectus may differ from that produced by other sources for a variety of reasons, including due to periodic revisions, the use of different definitions and cut-off times and differing underlying assumptions and methodologies (see "*Presentation of Statistical Information*"). In

addition, standards of accuracy of statistical data may vary from authority to authority or from period to period due to the application of these different methodologies. Therefore, there can be no assurance that the statistical data appearing in this Base Prospectus are as accurate or as reliable as those published by other countries.

Investors should be aware that certain data relating to Sharjah (for example, detailed foreign trade statistical data) are not available. Furthermore, some of the data included in this Base Prospectus is preliminary. Additionally, in 2021, DSCD became the official statistical authority responsible for producing GDP data for Sharjah (which is subject to review and approval by FCSC prior to release) and has produced the data series from 2017 to 2024. The new data series differs from GDP data previously reported in respect of Sharjah by the FCSC. While public finance data are consistent with the data from the Government's financial management system, such data are not subject to an external auditor's opinion.

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

Accordingly, financial and economic information may differ from previously published figures, or figures published in the future, and may be subsequently adjusted or revised. No assurance can be given that material changes will not be made which, in turn, could negatively affect the market value of an investment in the relevant Trust Certificates.

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

The functional and reporting currency of the Government is the UAE Dirham. The UAE Dirham has been pegged at a fixed exchange rate to the U.S. Dollar since 22 November 1980. The current midpoint between the official buying and selling rates for the UAE Dirham is at a fixed rate of AED 3.6725 = U.S.\$1.00. The Federal Government and the UAE Central Bank have publicly stated that there is no current intention to reassess the Dollar peg. However, there can be no assurance that UAE policy, in respect of the UAE Dirham/U.S. Dollar peg, will remain unchanged in the future. If the UAE Central Bank cannot maintain a stable exchange rate or the peg to the U.S. Dollar, this may reduce confidence in the UAE's economy, reduce foreign direct investment and adversely affect the UAE's finances and economy, as well as those of the individual emirates within the UAE, including Sharjah.

In addition, the UAE Central Bank, as a result of the peg, and the Government, as a result of the UAE Central Bank's control over monetary policy, do not have any flexibility to devalue the Dirham to stimulate Sharjah's exports market, and the UAE Central Bank's ability to independently manage interest rates is constrained. For example, if the U.S. Federal Reserve were to further increase interest rates, and the UAE Central Bank were to delay significantly in increasing its own rates, this could result in significant pressure on the currency peg. Furthermore, because the UAE's currency is pegged at a fixed rate to the U.S. Dollar, any significant appreciation in value of the U.S. Dollar, whether driven by increasing U.S. interest rates or other factors, could result in the UAE's non-hydrocarbon exports becoming less competitive.

The Government is also exposed to the potential impact of any abolition of this foreign exchange peg. Any such abolition of the peg to the U.S. Dollar, particularly if the UAE Dirham weakened against the U.S. Dollar, could have an adverse effect on Sharjah's general financial condition and prospect and could specifically increase the cost of servicing existing and new debt denominated in U.S. Dollars, which, in turn, could negatively affect the Government's ability to fulfil its obligations under the Trust Certificates issued under the Programme and the Transaction Documents to which it is a party.

Investing in securities involving emerging markets such as Sharjah generally involves a high degree of risk

Investing in securities involving emerging markets, such as Sharjah, generally involves a higher degree of risk than investments in securities of issuers from more developed jurisdictions. In the case of Sharjah, these higher risks include those discussed elsewhere in this section. Generally, investments in emerging markets are only suitable for sophisticated investors who fully appreciate and are familiar with the significance of the risks involved in investing in emerging markets. International investors' reactions to

events occurring in one emerging market country or region sometimes appear to demonstrate a "contagion" effect in which an entire region or class of investment is disfavoured by such investors. If such a "contagion" effect were to occur, the trading price of Trust Certificates issued under the programme could be adversely affected by negative economic or financial developments in other emerging market countries over which the Government has no control. In addition, the economies of emerging markets are more susceptible to influence by macroeconomic and central bank policy decisions of developed countries than other sovereign issuers. In particular, emerging market economies have in the past demonstrated sensitivity to periods of economic growth and interest rate movements of developed economies. No assurance can be given that this will not be the case in the future. As a consequence, an investment in Trust Certificates issued under the Programme carries risks that are not typically associated with investing in Trust Certificates issued by governments in more mature markets. Investors should also note that emerging markets such as Sharjah are subject to rapid change and that the information set forth in this Base Prospectus may become outdated relatively quickly. Accordingly, prospective investors should exercise particular care in evaluating the risks involved and must decide for themselves whether in light of those risks their investment is appropriate.

Risk factors relating to the Trust Certificates

Limitations relating to the indemnity provisions under the Purchase Undertaking and the Master Declaration of Trust

The Government has undertaken in the Purchase Undertaking and the Master Declaration of Trust that (i) if, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the Government of the Emirate of Sharjah acting through the Sharjah Finance Department remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets (each as defined in the Purchase Undertaking), as the case may be; and (ii) if, following delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Government shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Trust Certificates then outstanding or the Certificateholder Put Right Trust Certificates or the Tangibility Event Put Right Trust Certificates (each as defined in the Purchase Undertaking), as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be.

Subject to the satisfaction of the conditions in (i) and (ii) as described above, if the Government fails to pay the Exercise Price, the Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, in accordance with the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 14 (*Dissolution Events*) and the terms of the Master Declaration of Trust, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Master Declaration of Trust against the Government by commencing legal or arbitral proceedings.

However, prospective investors should note that, in the event that the Government of the Emirate of Sharjah acting through the Sharjah Finance Department does not remain in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets, as the case may be, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the condition in (i) as described above will not be satisfied and, therefore, no amounts will be payable by the Government under the separate indemnity provisions. For the avoidance of doubt, no investigation has been or will be made by the Trustee, the Arrangers, the Dealers or the Delegate as to whether the Government of the Emirate of Sharjah acting through the Sharjah Finance Department has or will remain in actual or constructive possession, custody or control of any Lease Assets, Certificateholder Put Right Lease Assets or Tangibility Event Put Right Lease Assets.

Accordingly, in such event, the Delegate (on behalf of the Certificateholders) may be required to establish that there has been a breach of contract by the Government and prove for damages. Such breach of contract may be due to (i) a breach by the Government of the requirement to purchase the Trustee's rights, title and interests in, to and under the Lease Assets on the relevant Dissolution Date pursuant to the provisions of the Purchase Undertaking; and/or (ii) a breach by the Government (acting in its capacity as Lessee pursuant to the provisions of the Master Lease Agreement) of its undertaking to maintain actual or constructive possession, custody or control of all of the Lease Assets.

As a result, the Delegate (on behalf of the Certificateholders) may not be able to recover, or may face significant challenges in recovering, an amount equal to the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, and in turn, the amount payable to the Certificateholders upon redemption.

The occurrence of a Loss Event may have a significant adverse effect on the liquidity and market value of the Trust Certificates of the relevant Series and could result in the Trust Certificates of the relevant Series being redeemed early

In relation to each Series: (a) if, as a result of the occurrence of a Partial Loss Event the ratio of: (i) the Value of the Lease Asset(s) of that Series (which for this purpose shall exclude any Impaired Lease Asset(s)), (ii) to the aggregate of the Value of the Lease Asset(s) of that Series and, if applicable for such Series, the aggregate amounts of Deferred Sale Price the outstanding applicable to such Series at such time, falls below 33 per cent.; or (b) a Total Loss Event occurs, the Servicing Agent shall upon becoming aware of any such occurrence, promptly notify the Trustee.

The Trustee shall, upon receipt of such notice from the Servicing Agent, promptly notify Certificateholders in accordance with Condition 17 (*Notices*) that: (i) such event has occurred; (ii) from the date of such notice and until further notice from the Trustee, in consultation with the *Shari'a* Adviser, stating otherwise, the Trust Certificates of the relevant Series should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); and (iii) on the date of such notice an application will be made for the Trust Certificates of the relevant Series to be delisted from any stock exchange (if any) on which such Trust Certificates have been admitted to listing or if such date is not a business day, on the next following business day.

Following replacement of the relevant Impaired Lease Asset(s) or the Lease Asset(s) in accordance with the Servicing Agency Agreement, the Servicing Agent shall notify the Trustee and the Delegate of the same and the Trustee shall promptly, following receipt of such notice from the Servicing Agent and in consultation with the *Shari'a* Adviser, deliver a notice to the Certificateholders in accordance with Condition 17 (*Notices*) that: (1) from the date of that notice the Trust Certificates of the relevant Series may be traded at any price; and (2) the Trust Certificates of the relevant Series shall be re-listed, as soon as reasonably practicable, on the stock exchange (if any) on which the Trust Certificates had previously been admitted to listing.

Accordingly, the occurrence of a Loss Event may (due to, among other things, its impact on tradability of the Trust Certificates) have a significant adverse effect on the liquidity and market value of the Trust Certificates.

If a Partial Loss Event occurs with respect to the Lease Assets of a Series, the Lessee may, within 30 days after the Partial Loss Event (and provided that the relevant Lease Assets have not already been replaced in accordance with the Servicing Agency Agreement), deliver to the Lessor a Partial Loss Termination Notice, pursuant to which the Lease shall terminate on the 61st day after the date of the Partial Loss Event. If the Lessee does not serve a termination notice within 30 days after the Partial Loss Event and the relevant Lease Assets have not been replaced within 60 days after the date of the Partial Loss Event, the Lease shall automatically terminate on the 61st day after the Partial Loss Event occurred and such termination of the Lease in either of the circumstances set out in this paragraph shall constitute a Government Event, following which the Trust Certificates of the relevant Series may be redeemed in full in accordance with the Conditions.

Upon the occurrence of a Total Loss Event, the Lease shall automatically terminate and, unless the Lease Asset(s) is/are replaced as provided in the Servicing Agency Agreement by no later than the 60th day after the occurrence of the Total Loss Event, the Trust Certificates shall be redeemed in full by no later than the close of business in London on the 61st day after the occurrence of the Total Loss Event (or, if such date is not a Payment Business Day, on the immediately following Payment Business Day). If, following the occurrence of a Total Loss Event, the Lease Asset(s) is/are replaced as provided in the Servicing Agency Agreement and a Lease Asset(s) Amendment Agreement entered into following such replacement, the Trust Certificates of the relevant Series shall not be redeemed early as a result of the relevant Total Loss Event and Certificateholders will receive profit that would have otherwise accrued (had a Total Loss Event not occurred) only on the next Periodic Distribution Date following the acquisition of Replacement Lease Asset(s).

Certificateholders should note that, in circumstances where (a) rental has ceased to accrue under the Lease Agreement and profit has ceased to accrue under the Trust Certificates and (b) a Periodic Distribution Date falls on a day after the occurrence of a Total Loss Event but before the date on which Replacement Lease Assets are acquired by the Trustee (if any), they will receive, on such Periodic Distribution Date, only part of the Periodic Distribution Amounts that would have otherwise been due to them and will receive the Periodic Distribution Amounts that would have otherwise accrued (had a Total Loss Event not occurred) only on the next Periodic Distribution Date following the acquisition of such Replacement Lease Assets by the Trustee, or, if earlier, on the date on which the Trust Certificates are dissolved in accordance with the Conditions.

The occurrence of a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Trust Certificates

Following the occurrence of a Tangibility Event, the Certificateholders will be promptly notified: (a) that a Tangibility Event has occurred; (b) that, as determined in consultation with the *Shari'a* Adviser, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); (c) that, on the date falling 15 days following the Tangibility Event Put Right Date, the Trust Certificates will be delisted from any stock exchange on which the Trust Certificates have been admitted to trading; and (d) the Tangibility Event Put Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Trust Certificates. Upon receipt of such notice, the Certificateholders may elect, within the Tangibility Event Put Period, for all or any of their Trust Certificates to be redeemed in accordance with the Conditions. Accordingly, a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Trust Certificates.

The Trust Certificates are limited recourse obligations

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

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

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

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

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

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

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

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

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

- (a) such modification is of a formal, minor or technical nature; or
- (b) such modification is made to correct a manifest error; or
- (c) such modification, waiver, authorisation or determination is not, in the sole opinion of the Delegate, materially prejudicial to the interests of Certificateholders and is other than in respect of a Reserved Matter,

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

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

Condition 17 (*Notices*). Further, any such modification, waiver, authorisation or determination in relation to any Trust Certificates may adversely affect their trading price.

Credit ratings assigned to the Government or any Trust Certificates do not reflect all the risks associated with an investment in the Trust Certificates and may be subject to revision or withdrawal

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

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, 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 may also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, 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 the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Investors regulated in the United Kingdom are subject to similar restrictions under the UK CRA Regulation. As such, United Kingdom regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the United Kingdom 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: (a) endorsed by a United Kingdom registered credit rating agency; or (b) 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 United Kingdom 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 United Kingdom, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Trust Certificates changes, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the United Kingdom, as applicable, and the Trust Certificates may have a different regulatory treatment. This may result in relevant regulated investors selling the Trust Certificates which may impact the value of the Trust Certificates and any secondary market.

In July 2022, Moody's downgraded Sharjah's main credit rating from Baa3 to Ba1 but changed the rating outlook from negative to stable. The downgrade to Ba1 is driven by Moody's expectation of further significant deterioration in Sharjah's fiscal strength over the next few years, and the absence of a credible fiscal adjustment plan that could stop and eventually reverse the upward trend in Sharjah's debt burden and the weakening of its debt affordability metrics. The stable outlook reflects Moody's view that at the Ba1 level the risks to Sharjah's ratings are balanced. On 27 January 2023, following the announcement of the Fiscal Plan, Moody's published a report noting that the announcement of a multi-year fiscal plan indicates a greater willingness to try and better balance social demands with fiscal and financial stability considerations, which Moody's believes will slow the accumulation of government debt. Moody's also noted that a multi-year plan demonstrates greater transparency in policy making, which is a credit positive. In subsequent reports, most recently in July 2025, Moody's have maintained Sharjah's Ba1 rating and stable outlook, reflecting the ongoing balance of risks and positive prospects as the Government seeks to implement its Fiscal Plan.

In November 2022, S&P affirmed the long- and short-term foreign and local currency sovereign credit rating of Sharjah at BBB- and A-3 respectively with a negative outlook. However, in January 2023, following the announcement of the Fiscal Plan, S&P revised its outlook on Sharjah from negative to stable and affirmed Sharjah's ratings at BBB- and A-3. The stable outlook balances S&P's view that Sharjah will introduce sufficient measures to begin stabilising its debt burden over the next two years, i.e., 2024 and 2025, against risks that the implementation of the necessary expenditure controls and revenue-enhancing measures are weaker than expected. S&P noted that it could lower Sharjah's ratings over the next two years, i.e., 2024 and 2025, if Sharjah's net debt burden rises sharply or if additional contingent liabilities materialise on Sharjah's balance sheet. S&P affirmed the BBB- and A-3 ratings, as well as the stable outlooks, in its ratings action on 17 May 2024, but subsequently changed the outlook from stable to negative in March 2025, noting that although Sharjah's deficits will gradually moderate, aided by economic growth and revenue reform, fiscal risks are on the rise, in our view, with potential for Sharjah's deficits to turn out higher than we forecast in our base-case scenario, mirroring similar fiscal slippages in recent years on the expenditure side and Sharjah's government interest expenditures will remain substantial, averaging 30 per cent. of government revenues over the period from 2025 to 2028. There can be no assurance that Sharjah's credit ratings will not be subject to further downgrades or (in the case of S&P) fall below investment-grade status in the future.

Trust Certificates where denominations involve integral multiples

In relation to any issue of Trust Certificates which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Trust Certificates may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination would need to purchase an additional amount of Trust Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Trust Certificates.

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

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

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

The Trustee may be a "covered fund" for the purposes of the Volcker Rule. Further, the Trust Certificates may constitute an "ownership interest" for the purposes of the Volcker Rule. As a result, the Volcker Rule may, subject to certain exemptions, prohibit certain banking institutions from, directly or indirectly, acquiring or retaining the Trust Certificates. This prohibition may adversely affect the liquidity and market price of the Trust Certificates. The Trustee does not make any representation, warranty, covenant or promise with respect to compliance with the Volcker Rule. In addition, any entity that is a "banking entity" under the Volcker Rule and is considering an investment in the Trust Certificates should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally.

Holders of Trust Certificates held through DTC, Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Trust Certificates, receive payments in respect of Trust Certificates and vote at meetings of Certificateholders

Trust Certificates issued under the Programme will be represented on issue by one or more Global Trust Certificates that may be deposited with a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each, as defined in "*Form of the Trust Certificates*"). Except in the circumstances described in each Global Trust Certificate, investors will not be entitled to receive Trust Certificates in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Trust Certificates held through it. While the Trust Certificates are represented by a

Global Trust Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

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

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

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

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

The Government may be expected to exercise an early redemption option when the Government's cost of financing is lower than the profit rate on the Trust Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Trust Certificates being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

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

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

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

The U.S. Internal Revenue Service may argue that the Trust Certificates should be treated as something other than debt for U.S. federal income tax purposes, which may result in U.S. investors being subject to materially adverse tax consequences.

The Trustee generally intends to treat Trust Certificates issued under the Programme as debt for U.S. federal income tax purposes. However, the U.S. Internal Revenue Service (the "IRS") could seek to characterise the Trust Certificates differently for U.S. federal income tax purposes. If the IRS were to do so successfully, U.S. investors could be subject to materially adverse tax consequences. Prospective U.S. investors should see the discussion below in "*Taxation — U.S. Federal Income Taxation — Characterisation of the Trust Certificates*" and consult their tax advisers as to the possibility of the Trust Certificates being recharacterised and the resulting U.S. federal income tax consequences if they were.

Sustainable Trust Certificates may not meet investor expectations or requirements or be suitable for an investor's investment criteria

The Final Terms relating to a specific Tranche of Trust Certificates identified therein as "Sustainable Trust Certificates" will provide that it is the Government's intention to apply an amount, which at the Issue Date of the Sustainable Trust Certificates, is equivalent amount to finance and/or refinance, in whole or in part, Eligible Expenditures in accordance with the Government's Sustainable Financing Framework. A

prospective investor should have regard to the information set out in the section "*Use of Proceeds*" and determine for itself the relevance of such information together with any other investigation it deems necessary for the purpose of assessing the suitability of an investment in such Trust Certificates.

The Government will exercise its judgement and sole discretion in determining the businesses and projects that will be financed and/or refinanced by the equivalent amount. If the use of the proceeds of Sustainable Trust Certificates is a factor in any potential investor's decision to invest in Sustainable Trust Certificates, that investor should carefully consider the disclosure in "*Use of Proceeds*" and consult with its legal or other advisers and make any other investigation such investor deems necessary before making an investment in Sustainable Trust Certificates, including but not limited to, reviewing the prevailing Sustainable Financing Framework. In particular, no assurance is given by the Trustee, the Government, the Arrangers, the Dealers, the Agents or any other person that the use of the equivalent amount to finance and/or refinance any Eligible Expenditures (as defined in "*Use of Proceeds*" below) will meet, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply (including in relation to the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles). None of the Arrangers or the Dealers or their respective affiliates have undertaken, nor are they responsible for, any assessment or due diligence of, the Eligible Expenditures, or any related projects or the application, impact or monitoring of the use of the proceeds (or any amount equivalent thereto) of any Sustainable Trust Certificates. None of the Arrangers or the Dealers or their respective affiliates have undertaken any due diligence, or makes any representation as to the suitability or contents, of the Sustainable Financing Framework, any second party opinion delivered in respect thereof or any public reporting by or on behalf of the Government in respect of the application of the proceeds of any issue of Sustainable Trust Certificates, all of which are not, nor shall be deemed to be, incorporated in or form part of this Base Prospectus.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor any market consensus as to what constitutes, a "green", "environmental", "sustainable", "social" or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as "green" or such other equivalent label and no assurance can be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not change significantly. Any Sustainable Trust Certificates issued under the Programme will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in the Sustainable Financing Framework. It is not clear if the establishment under the EU Green Bond Regulation of the EuGB label and the optional disclosure templates for bonds marketed as "environmentally sustainable" could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosure templates, such as the Sustainable Trust Certificates issued under this Programme. It could result in reduced liquidity or lower demand or could otherwise affect the market price of any Sustainable Trust Certificates issued under this Programme that do not comply with the requirements of the EU Green Bond Regulation.

The EU Taxonomy Regulation, which is subject to a phased implementation, may provide some definition for such topics in the European Union. However, the full scope and applicability of the EU Taxonomy Regulation, as well as exactly when it will take effect, remains uncertain. Accordingly, no assurance or representation is or can be given (whether by the Trustee, the Government, the Arrangers, the Dealers, the Agents or any other person) to investors that: (a) any projects funded by or related to any Eligible Expenditures will meet any or all investor expectations regarding such "green" or other equivalently labelled performance objectives; (b) any adverse environmental, social and/or other impacts will not occur during the implementation of any projects funded by or related to any Eligible Expenditures; or (c) the Sustainable Financing Framework will be aligned with the EU Taxonomy Regulation or any other sustainability framework or guidelines. The Government's Sustainable Financing Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus.

While it is the intention of the Government to allocate the equivalent amount to fund Eligible Expenditures and to report on the use of proceeds or Eligible Expenditures as described in "*Use of Proceeds*" below, there is no contractual obligation to do so. There can be no assurance that any such Eligible Expenditures will be available or capable of being implemented in, or substantially in, the manner and timeframe anticipated and, accordingly, that the Government will be able to use an amount equal to the equivalent

amount to fund such Eligible Expenditures as intended. In addition, there can be no assurance that Eligible Expenditures will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated.

The Government does not undertake to ensure that there are at any time sufficient Eligible Expenditures to allow for application of the equivalent amount in full.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion, review or certification of any third party (including any post-issuance reports prepared by an external reviewer and whether or not solicited by the Government) which may be made available in connection with the issue of the Sustainable Trust Certificates and in particular with any of the businesses and projects funded with the equivalent amount to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion, review, certification or post-issuance report is not, nor should it be deemed to be, a recommendation by the Trustee, the Government, the Dealers, the Agents or any other person to buy, sell or hold Sustainable Trust Certificates. Any such opinion, review, certification or post-issuance report is only current as at the date that opinion was initially issued. The EU Green Bond Regulation will introduce a supervisory regime of external reviewers of European Green Bonds but this is not due to take full effect until 21 June 2026. Prospective investors must determine for themselves the relevance of any such opinion, review, certification or post-issuance report and/or the information contained therein and/or the provider of such opinions, reviews, certifications or post-issuance reports for the purpose of any investment in Sustainable Trust Certificates. The providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. Any such opinion, review, certification or post-issuance report may change at any time and may be amended, updated, supplemented, replaced and/or withdrawn.

No assurance that Sustainable Trust Certificates will be admitted to trading on any dedicated "green", "sustainable", "social" (or similar) segment of any stock exchange or market, or that any admission obtained will be maintained

If Sustainable Trust Certificates are at any time listed or admitted to trading on any dedicated "green", "social", "environmental", "sustainable" or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Government, the Arrangers, the Dealers, the Agents or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any Sustainable Trust Certificates (including but not limited to the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles). Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Trustee, the Government, the Arrangers, the Dealers, the Agents or any other person that any such listing or admission to trading will be obtained in respect of any Sustainable Trust Certificates or, if obtained, that any such listing or admission to trading will be maintained during the life of the Sustainable Trust Certificates concerned.

If any of the risks outlined in this risk factor materialise this may have a material adverse effect on the value of such Sustainable Trust Certificates and/or may have consequences for certain investors with portfolio mandates to invest in sustainable assets (which consequences may include the need to sell the Sustainable Trust Certificates as a result of such Sustainable Trust Certificates not falling within the investor's investment criteria or mandate).

Sustainable Trust Certificates are not linked to the performance of the Eligible Expenditures, do not benefit from any arrangements to enhance the performance of the Sustainable Trust Certificates or any contractual rights derived solely from the intended use of proceeds of such Trust Certificates

The performance of the Sustainable Trust Certificates is not linked to the performance of the relevant Eligible Expenditures or the performance of the Government in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Sustainable Trust Certificates

and the Eligible Expenditures. Consequently, neither payments of principal and/or profit on the Sustainable Trust Certificates nor any rights of Certificateholders shall depend on the performance of the relevant Eligible Expenditures or the performance of the Government in respect of any such environmental or similar targets. Holders of any Sustainable Trust Certificates shall have no preferential rights or priority against the assets of any Eligible Expenditures nor benefit from any arrangements to enhance the performance of the Trust Certificates.

No breach of contract or Dissolution Event

None of a failure by the Government to allocate the proceeds of any Trust Certificates issued as Sustainable Trust Certificates or to report on the use of proceeds or Eligible Expenditures as anticipated or a failure of a third party to issue (or to withdraw) an opinion, review, certification or post-issuance report in connection with an issue of Sustainable Trust Certificates or the failure of the Trust Certificates issued as Sustainable Trust Certificates to meet investors' expectations or requirements regarding any "green", "sustainable", "social" or similar labels (including but not limited to the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles) will constitute a Dissolution Event, cross-default or breach of contract with respect to any of the Trust Certificates issued as Sustainable Trust Certificates.

Risk factors relating to enforcement

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

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

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

Each of the Master Declaration of Trust dated 18 July 2025 among the Trustee, the Government and the Delegate (the "**Master Declaration of Trust**"), the Agency Agreement dated 18 July 2025 among the Trustee, the Government and the Agents (the "**Agency Agreement**"), the Servicing Agency Agreement dated 18 July 2025 among the Trustee, the Government and the Delegate (the "**Servicing Agency Agreement**"), the Master Murabaha Agreement dated 18 July 2025 among the Trustee, the Government and the Delegate (the "**Master Murabaha Agreement**"), the Purchase Undertaking dated 18 July 2025 executed by the Government (the "**Purchase Undertaking**"), the Sale and Substitution Undertaking dated 18 July 2025 executed by the Trustee (the "**Purchase Undertaking**") and the Trust Certificates are governed by English law (the "**English Law Documents**") and the Government has agreed, at the option of the Trustee or the Delegate (as the case may be), to submit to the exclusive jurisdiction of the English courts in respect of any dispute, claim, difference or controversy arising out of or in connection with the English Law Documents.

Where an English judgment has been obtained, there is no assurance that the Government has, or would at the relevant time have, assets in the United Kingdom against which such a judgment could be enforced. Under current UAE law, the UAE courts (including the courts of Sharjah) are unlikely to enforce an English court judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the UAE, may not accord with the interpretation by an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE.

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

The Government has also agreed, unless the option to litigate is exercised, to refer any unresolved dispute in relation to such documents to arbitration under the Arbitration Rules of the London Court of International Arbitration in London, England. The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. Any arbitration award rendered in London should therefore be enforceable in Sharjah in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Sharjah courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE.

There is no established track record as to how the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention). This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different emirates within the UAE, some with their own court systems independent of the federal system, and whose rulings may have no more than persuasive force cross-border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention (as described above), there are other cases where the enforcement of foreign arbitral awards have been refused. Federal Decree Law No. 42 of 2022 regarding the Law of Civil Procedure (the "**Civil Procedure Law**") also governs the enforcement of foreign arbitral awards. The Civil Procedure Law provides that arbitral awards issued in a foreign state may be enforced in the UAE and that the conditions for enforcement of foreign arbitral awards set out in the New York Convention shall not be prejudiced by the Civil Procedure Law. However, there is no established track record as to how the overlapping provisions of the New York Convention and the Civil Procedure Law will be interpreted and applied by the UAE courts in practice. There remains a risk that notwithstanding the Civil Procedure Law or the terms of an applicable multilateral or bilateral enforcement convention, the UAE courts may in practice still consider and apply the grounds for enforcement of domestic UAE arbitral awards set out in Federal Law No. 6 of 2018 (the "**UAE Arbitration Law**") to the enforcement of any non-UAE arbitral award. The UAE Arbitration Law and the Civil Procedure Law are both recent and it is unclear how they will be applied by the UAE courts in practice. Accordingly, there is a risk that a non-UAE arbitral award will be refused enforcement by the UAE courts.

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

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

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

Claims for specific enforcement

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

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

Certain ERISA and Related Considerations

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), impose certain restrictions on: (a) "employee benefit plans" (as defined in section 3(3) of ERISA) that are subject to Part 4 of Subtitle B

of Title I of ERISA; (b) "plans" (as defined in section 4975(e)(1) of the Code) that are subject to section 4975 of the Code, including individual retirement accounts, health savings accounts and Keogh plans; (c) persons or entities whose underlying assets include "plan assets" under the U.S. Department of Labor (the "**DOL**") regulation at 29 C.F.R. § 2510.3-101, as modified by section 3(42) of ERISA (the "**ERISA Plan Asset Regulation**"), by reason of the foregoing employee benefit plan's or plan's investment in such persons or entities or otherwise for the purposes of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the Code, (each of (a)-(c), a "**Benefit Plan Investor**"); and (d) persons who have certain specified relationships to a Benefit Plan Investor, including the Benefit Plan Investor's fiduciaries and other service providers ("parties in interest" under section 3(14) of ERISA or "disqualified persons" under section 4975(e)(2) of the Code and collectively, "**Parties in Interest**"). ERISA also imposes certain duties on persons who are fiduciaries of Benefit Plan Investors that are subject to Part 4 of Subtitle B of Title I of ERISA, and section 406 of ERISA and section 4975 of the Code prohibit certain transactions between a Benefit Plan Investor and Parties in Interest. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

Section 406 of ERISA and section 4975 of the Code prohibit a broad range of transactions involving the assets of a Benefit Plan Investor and Parties in Interest, unless a statutory or administrative exemption is available. Parties in Interest that participate in a non-exempt prohibited transaction may be subject to penalties imposed under ERISA and/or excise taxes imposed pursuant to section 4975 of the Code. In addition, the fiduciary of the Benefit Plan Investor that is engaged in such a non-exempt prohibited transaction may be subject to penalties under ERISA and the Code.

"Governmental plans" (as defined in section 3(32) of ERISA), certain "church plans" (as defined in section 3(33) of ERISA) that have made no election under section 410(d) of the Code and non-U.S. plans (as described in section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of Part 4 of Subtitle B of Title I of ERISA or the prohibited transaction provisions of section 406 of ERISA or section 4975 of the Code, may nevertheless be subject to a U.S. federal, state, local or non-U.S. law or regulation that contains one or more provisions that are substantially similar to the prohibited transaction provisions of section 406 of ERISA or section 4975 of the Code ("**Similar Law**"). Accordingly, fiduciaries on any such plans should consult with their counsel before purchasing the Trust Certificates (or any interest therein).

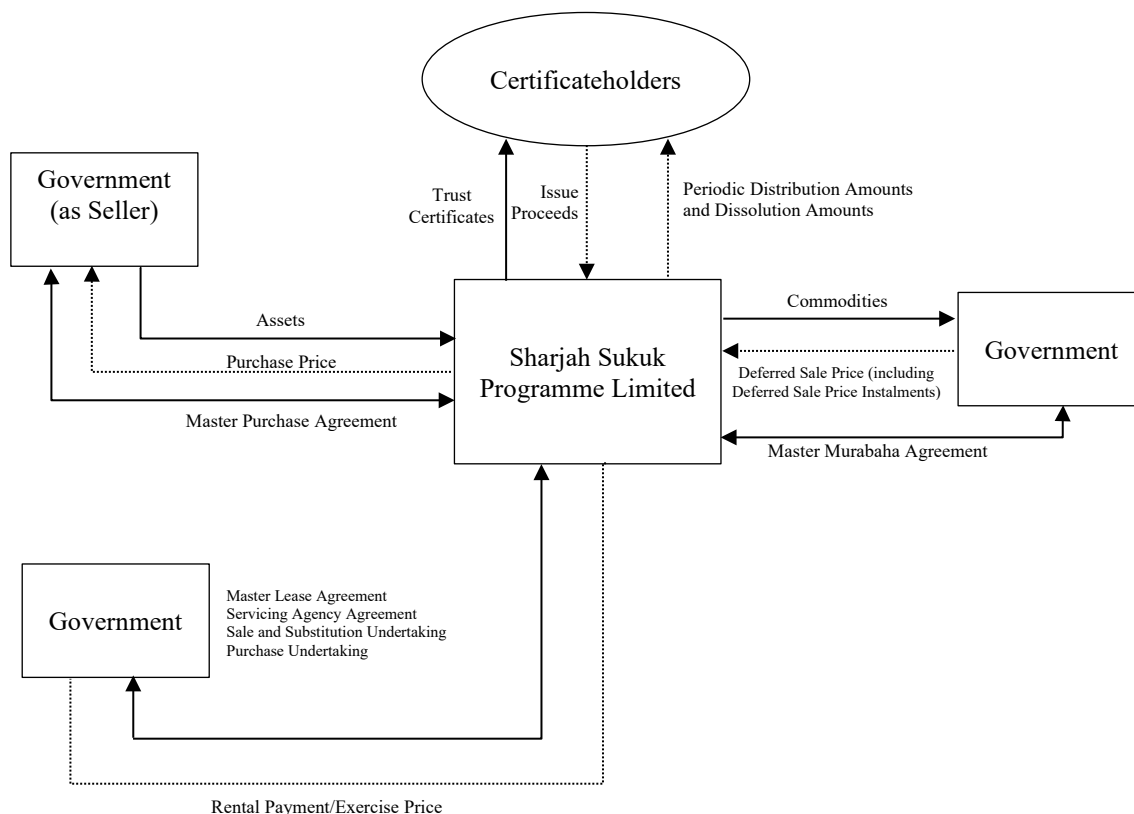
The ERISA Plan Asset Regulation sets out the standards that will apply for determining what constitutes the assets of a Benefit Plan Investor with respect to the Benefit Plan Investor's investment in an entity for the purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Part 4 of Subtitle B of Title I of ERISA, section 406 of ERISA and section 4975 of the Code. Under the ERISA Plan Asset Regulation, if a Benefit Plan Investor invests in an "equity interest" of an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the Investment Company Act, the Benefit Plan Investor's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation in the entity by Benefit Plan Investors is not "significant." The ERISA Plan Asset Regulation generally defines equity participation in an entity by Benefit Plan Investors as "significant" if 25 per cent. or more of the total value of any class of equity interest in the entity is held by Benefit Plan Investors, excluding any interest held by (a) persons or entities (other than Benefit Plan Investors) that have discretionary authority or control over the assets of the entity, or that provide investment advice with respect to such assets for a fee, directly or indirectly, or (b) "affiliates" thereof (as defined in paragraph (f)(3) of the ERISA Plan Asset Regulation). If the assets of the Trustee were deemed to be assets of a Benefit Plan Investor or "plan assets" for the purposes of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the Code, the Trustee, and any other party with discretionary control over such assets, would be subject to certain fiduciary obligations under Part 4 of Subtitle B of Title I of ERISA and certain transactions that the Trustee might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under section 406 of ERISA or section 4975 of the Code and might have to be rescinded.

Accordingly, each initial purchaser of the Trust Certificates (or any interest therein) and each subsequent transferee will be deemed to have acknowledged, represented, warranted and agreed, by its purchase or holding of Trust Certificates (or any interest therein), that: (a) it is not, and is not acting on behalf of (and for so long as it holds Trust Certificates (or any interest therein) will not be, and will not be acting on behalf of) (i) a Benefit Plan Investor or (ii) a governmental, church or non-U.S. plan that is subject to any Similar Law, unless, under this clause (ii), its acquisition, holding and disposition of the Trust Certificates (or any interest therein) will not constitute or result in a violation of any applicable Similar Law or subject the Trust

or any transaction thereby to any such Similar Law; and (b) it and any person causing it to acquire any of the Trust Certificates (or any interest therein) agrees to indemnify and hold harmless the Trustee, the Obligor, the Arrangers, the Dealers and their respective affiliates from any actual cost (excluding opportunity cost and cost of funding, whether in the form of interest or otherwise), actual damage or actual loss (excluding opportunity loss) incurred by them as a result of it being or being deemed to be a Benefit Plan Investor or a plan subject to any Similar Law. Each fiduciary of a plan subject to Similar Law should consult with its legal or other advisors concerning the potential consequences to the plan under any applicable Similar Law of an investment in the Trust Certificates (or any interest therein). This Base Prospectus is not directed to any particular investor, nor does it address the needs of any particular investor.

STRUCTURE DIAGRAM AND CASHFLOWS

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



Cashflows

Payments by the Certificateholders and the Trustee

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

- the Ijara Percentage of the aggregate face amount of the relevant Trust Certificates as specified in the applicable Final Terms (which, in the case of the first Tranche of a Series of Trust Certificates, shall be at least 55 per cent.) as the purchase price (the "**Purchase Price**") payable under the relevant Supplemental Purchase Agreement for the relevant asset(s) comprised of real estate asset(s) located in Sharjah (in the case of the first Tranche of a Series of Trust Certificates, the "**Asset(s)**") or, if applicable, (in the case of each subsequent Tranche of such Series) the "**Additional Asset(s)**"; and
- the remaining portion of the Issue Proceeds (if any) equal to the Murabaha Percentage of the aggregate face amount of the relevant Trust Certificate as specified in the applicable Final Terms (which, in the case of the first Tranche of a Series of Trust Certificates, shall be no more than 45 per cent.) in the purchase of *Shari'ah*-compliant commodities to be sold to the Government on a deferred payment basis for an amount specified in a letter of offer and acceptance (the "**Deferred Sale Price**") pursuant to the Master Murabaha Agreement.

On the Issue Date of the first tranche of Trust Certificates, pursuant to the terms of a supplemental lease agreement (the "**Supplemental Lease Agreement**"), the Trustee (acting in its capacity as lessor, the "**Lessor**") shall lease to the Government (acting in its capacity as lessee, the "**Lessee**") and the Lessee shall lease from the Lessor, the Assets (the "**Lease Assets**") during renewable rental periods commencing on the

Lease Commencement Date (which shall be the relevant Issue Date) and extending to the Scheduled Dissolution Date in consideration for payment of a periodic rental amount (the "**Rental**"). On the Issue Date of each subsequent Tranche, the Lessee undertakes to enter into a lease assets amendment agreement in order to reflect the lease of the Lease Assets in existence prior to such Issue Date and the Additional Assets.

Periodic Payments by the Trustee

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

Dissolution Payments

On the Scheduled Dissolution Date:

- (a) the aggregate amounts of the Deferred Sale Price then outstanding, if any, shall become immediately due and payable by the Government; and
- (b) the Trustee and the Delegate will have the right under the Purchase Undertaking to require the Government (in its capacity as obligor) to purchase all of its rights, title and interests in, to and under the relevant Lease Asset(s) for an amount equal to the Exercise Price.

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

The Trust may be dissolved prior to the Scheduled Dissolution Date for a number of reasons including: (i) unless the relevant Lease Assets have been replaced in accordance with the Servicing Agency Agreement, upon the occurrence of a Total Loss Event; (ii) upon the occurrence of a Tax Event; (iii) upon the occurrence of a Dissolution Event (as defined herein); (iv) in certain cases where so specified in the applicable Final Terms, at the option of the Government or any Certificateholder; (v) upon the occurrence of a Tangibility Event; or (vi) on the Clean Up Call Right Dissolution Date, as the case may be.

In the case of (ii), (iii), (iv), (v) and (vi) above, the relevant Dissolution Amount will be funded by the Government being required to (A) purchase the relevant Lease Asset(s) and pay the relevant Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, and (B) pay the aggregate amounts (or the applicable portion thereof, as the case may be) of the Deferred Sale Price then outstanding, if any, in each case to or to the order of the Trustee (pursuant to the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be, and the Master Murabaha Agreement, if applicable).

In the case of (i) above, the Dissolution Amount will be funded using (a) any proceeds of Insurances and/or (if applicable) the Loss Shortfall Amount payable in respect of the Total Loss Event (as defined herein), and (b) the aggregate amounts of the Deferred Sale Price then outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published, and have been filed with the Central Bank of Ireland, shall be incorporated in, and form part of, this Base Prospectus:

- The "*Terms and Conditions of the Trust Certificates*" appearing between pages 107 to 155 of the Base Prospectus dated 5 March 2018 will be incorporated by reference herein and will be available for viewing at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/FinalBaseProspectus_d4c02717-5e7a-4d48-9cc6-e3afc43096da.PDF.
- The "*Terms and Conditions of the Trust Certificates*" appearing between pages 87 to 130 of the Base Prospectus dated 20 March 2019 will be incorporated by reference herein and will be available for viewing at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_7f00f58e-cd5c-48a9-91f0-d94685618b3e.PDF.
- The "*Terms and Conditions of the Trust Certificates*" appearing between pages 80 to 118 of the Base Prospectus dated 21 April 2020 will be incorporated by reference herein and will be available for viewing at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_4ffc670a-791b-4c3e-9081-310b61ff735f.PDF.
- The "*Terms and Conditions of the Trust Certificates*" appearing between pages 95 to 137 of the Base Prospectus dated 5 July 2021 will be incorporated by reference herein and will be available for viewing at <https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202107/cd1b2abd-7572-4835-8b04-68290943a9eb.PDF>.
- The "*Terms and Conditions of the Trust Certificates*" appearing between pages 102 to 145 of the Base Prospectus dated 8 September 2023 will be incorporated by reference herein and will be available for viewing at <https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202309/65920c6d-ff42-4a75-8968-9effca7a4310.pdf>.
- The "*Terms and Conditions of the Trust Certificates*" appearing between pages 112 to 157 of the Base Prospectus dated 1 July 2024 will be incorporated by reference herein and will be available for viewing at <https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202407/942a4b94-25d0-43b0-af88-2f086f8459b4.pdf>.

Copies of the above documents incorporated by reference in this Base Prospectus can be obtained from the specified office of the Principal Paying Agent at Deutsche Bank AG, London Branch, 21 Moorfields, EC2Y 9DB, United Kingdom.

Any information contained in the documents specified above which is not incorporated by reference in this Base Prospectus, does not form part of this Base Prospectus and is either not relevant to investors or is included elsewhere in this Base Prospectus. Accordingly, only the information stated to be expressly incorporated by reference in this Base Prospectus is so incorporated by reference.

USE OF PROCEEDS

The net proceeds of each Tranche of Trust Certificates issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents on the relevant Issue Date in the following proportion: (A) the Ijara Percentage of the aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Final Terms towards the purchase from the Government of all of its rights, title and interests in, to and under (in the case of the first Tranche) the Asset(s) and, if applicable (in the case of each subsequent Tranche) the Additional Asset(s) pursuant to the relevant Purchase Agreement; and (B) if applicable, the Murabaha Percentage of the aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Final Terms towards the purchase of commodities to be sold to the Government pursuant to the Master Murabaha Agreement.

Save in respect of Sustainable Trust Certificates, the amounts subsequently received by the Government in consideration for the transactions entered into with the Trustee as set out above, including with respect to the proceeds received from any on-sale of the commodities by the Government, will be applied by the Government for its domestic budgetary purposes. If there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

In relation to each Tranche of Sustainable Trust Certificates, an amount at least equal to such net proceeds (the "**equivalent amount**") will be applied by the Government to finance and/or refinance, in whole or in part, eligible existing projects and/or expenditures ("**Eligible Expenditures**"). For the avoidance of doubt, the equivalent amount in respect of Sustainable Trust Certificates identified as: (i) Green Trust Certificates in the applicable Final Terms will be used to finance and/or refinance only green categories of Eligible Expenditures, (ii) Social Trust Certificates in the applicable Final Terms will be used to finance and/or refinance only social categories of Eligible Expenditures; and (iii) Sustainability Trust Certificates in the applicable Final Terms will be used to finance and/or refinance either or both the green and social categories of Eligible Expenditures, in each case as further described in the Sustainable Financing Framework (as defined below).

Eligible Expenditures may include, *inter alia*, (a) the production and distribution of energy from renewable sources (e.g. solar farms, installation of roof-top solar panels and commercial heat pumps); (b) green buildings (including the development, construction and refurbishment of buildings that meet minimum external green building certification levels); (c) sustainable water and wastewater treatment projects (including the establishment, acquisition, capacity expansion and upgrades of facilities and technologies to treat, distribute and conserve water); (d) clean transportation (including the production, establishment, acquisition, expansion, upgrades, maintenance and operation of low carbon vehicles and related infrastructure); (e) energy efficiency projects (including the establishment, acquisition, expansion and upgrade of transmission lines and energy storage facilities or technologies and/or the associated infrastructure); (f) pollution prevention and control projects (including the establishment, acquisition, expansion, upgrades of waste); (g) the environmentally sustainable management of living natural resources and land (including sustainable agricultural practices that are certified to an independent standard); (h) affordable housing and basic infrastructure; and (i) access to essential services such as healthcare and education, in each case as further described in the "*Use of Proceeds*" section of the Sustainable Financing Framework published on the Government's website (at: <https://www.sfd.gov.ae/En/PUBLICATIONS/Emirate%20of%20Sharjah%20-%20Sovereign%20Sustainable%20Financing%20Framework.pdf>) (as amended, supplemented, restated and/or otherwise updated on such website from time to time, the "**Sustainable Financing Framework**").

The Sustainable Financing Framework is aligned with, among other publications, the guidelines specified in the 2021 edition of the Green Bond Principles ("**GBPs**") published by the International Capital Market Association ("**ICMA**"), the 2021 edition of the ICMA Social Bond Principles ("**SBPs**") and the 2021 edition of the ICMA Sustainability Bond Guidelines ("**SBGs**").

The Government has appointed S&P Global Ratings to assess the Sustainable Financing Framework and its alignment with, among other publications, the SBGs, the GBPs and the SBPs, and to issue a second party opinion in respect thereof. Such opinion has been published on the Government's website referred to above (at https://www.spglobal.com/ratings/en/regulatory/delegate/getPDF?articleId=3167673&type=COMMENT_S&defaultFormat=PDF). The Sustainable Financing Framework, any second party opinion delivered in respect thereof or any public reporting by or on behalf of the Government in respect of the application of the proceeds of any issue of Sustainable Trust Certificates shall not be deemed to be incorporated in and/or form part of this Base Prospectus.

If a project to which all or part of the equivalent amount has been applied ceases for any reason to be an Eligible Expenditure, the Government shall endeavour to substitute such project for a replacement Eligible Expenditure as soon as practicable once an appropriate replacement Eligible Expenditure has been identified.

The Government intends to publish on its website referred to above, reports relating to the application of the equivalent amount to such financing and/or refinancing, in whole or in part, of Eligible Expenditures and on the associated environmental and/or social impacts of Eligible Expenditures. The allocation reports will be updated annually and the impact reports will be published at least a biennial basis, in each case until such time as the equivalent amount has been so allocated in full or the relevant Sustainable Trust Certificates have matured.

None of the Sustainable Financing Framework or any of the above reports, verification assessments or the contents of any of the above websites are incorporated in and/or form part of this Base Prospectus. See also *"Risks factors relating to Trust Certificates – Sustainable Trust Certificates may not meet investor expectations or requirements or be suitable for an investor's investment criteria"*.

DESCRIPTION OF THE TRUSTEE

General

Sharjah Sukuk Programme Limited, an exempted company incorporated on 7 June 2017 with limited liability under the Companies Act (As Revised) of the Cayman Islands with registered number 323675 whose registered office is at c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and whose telephone number is +1 345 949 8066.

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

Business of the Trustee

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

Financial Statements

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

Directors of the Trustee

The Directors of the Trustee are as follows:

<u>Name:</u>	<u>Principal Occupation:</u>
Mohammed bin Saud Al Qasimi	Chairman, Sharjah Finance Department
Waleed Ebrahim Al Sayegh	Director General, Sharjah Finance Department

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

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

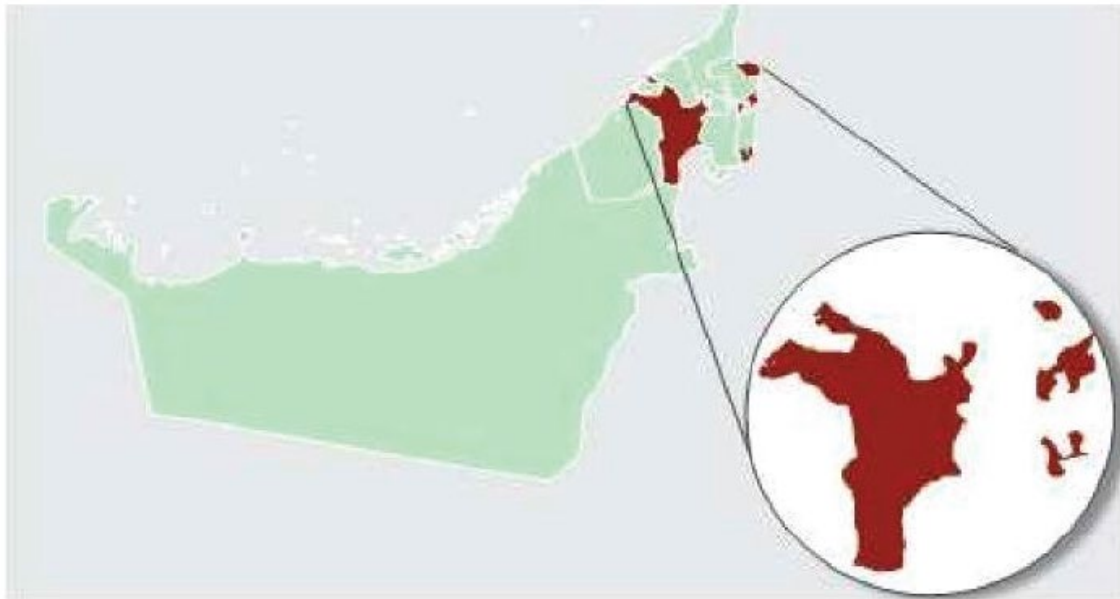
The Trustee has no employees and is not expected to have any employees in the future.

DESCRIPTION OF THE EMIRATE OF SHARJAH

Introduction

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

Location



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

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

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

History

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

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

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

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

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

In May 1976, the seven emirates agreed to merge their armed forces. In 1979, the ruler of Dubai, H.H. Sheikh Rashid bin Saeed Al Maktoum, became Prime Minister of the Federal Government. H.H. Sheikh Zayed bin Sultan Al Nahyan of Abu Dhabi served as President of the UAE from 1971 until his death in November 2004. He was succeeded by his son, H.H. Sheikh Khalifa bin Zayed Al Nahyan, as ruler of Abu Dhabi and President of the UAE until his death in May 2022. H.H. Sheikh Khalifa bin Zayed Al Nahyan was succeeded by H.H. Sheikh Mohamed bin Zayed Al Nahyan in May 2022.

Population

According to preliminary figures from the FCSC, the UAE had a population of approximately 10.7 million in 2023. The population of the UAE has grown significantly since 1985, reflecting an influx of foreign labour, principally from the Indian subcontinent, as the UAE has developed.

The table below illustrates this growth since 1985.

	Sharjah population	Total UAE population
1985	228,317	1,379,303
2005	793,573	4,106,247
2015	1,408,699	9,104,000
2022	1,820,392	10,288,946
2023	N/A	10,678,556

Source: FCSC (based on census data or internal estimates) and other Government data.

The most recent UAE census for which data has been published was conducted in 2005. Censuses in individual emirates, including Sharjah in 2015 and 2022, have subsequently been undertaken. The most recent estimate of population for the UAE as a whole was made by the FCSC, which estimated the registered resident population of the UAE to be approximately 10.7 million as at 31 December 2023.

According to the latest information released by the Government in 2022, UAE nationals officially make up 11.5 per cent. of the Emirate's population. In keeping with the rest of the UAE, non-citizen residents in Sharjah are mainly from the Indian subcontinent and other Arab countries.

Education and training are an important strategic focus for the Emirate (see "The Economy of Sharjah — Infrastructure — Education" below). Based on the detailed analysis released following the Sharjah census of 2015, for the population aged 10 or more, approximately 26.8 per cent. of the active population had university or equivalent level degrees and a further 39.5 per cent. had completed secondary education. A new census was started in September 2022. The detailed results of the census will be published once available. For the 2024-2025 academic year, American University of Sharjah had a headcount of 6,344 students and University of Sharjah had a headcount of over 19,500 students. The Government believes that one of its key future challenges will be the creation of jobs for the local population and has undertaken

initiatives with the Federal Government to educate and motivate young UAE nationals to join the workforce, with a particular emphasis on the private sector (see "The Economy of Sharjah — Infrastructure — Education" below).

Relationship between the UAE Constitution and Sharjah

The UAE Constitution

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

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

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

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

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

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

Federal Supreme Council

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

In 1971, the then-ruler of Abu Dhabi, H.H. Sheikh Zayed bin Sultan Al Nahyan, was elected as the first President of the UAE and was re-elected President for successive five-year terms until his death in November 2004. In 1971, the then-ruler of Dubai, H.H. Sheikh Rashid bin Saeed Al Maktoum, was elected as the first Vice-President of the UAE and continued as Vice-President until his death in 1990. Both were succeeded by their respective Crown Princes, H.H. Sheikh Khalifa bin Zayed al Nahyan, who became ruler of the emirate of Abu Dhabi in 2004, and H.H. Sheikh Mohammed bin Rashid Al Maktoum, who became the ruler of the emirate of Dubai in 2006 (after having succeeded his brother, Sheikh Mohammed bin Rashid Al Maktoum, who served as Ruler of Dubai following the death of H.H. Sheikh Rashid bin Saeed Al Maktoum); and were elected by the members of the Supreme Council to become, respectively, President (for the ruler of Abu Dhabi) and Vice-President (for the ruler of Dubai) of the UAE. H.H. Sheikh Khalifa bin Zayed Al Nahyan was succeeded by H.H. Sheikh Mohamed bin Zayed Al Nahyan in May 2022.

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

Federal Council of Ministers

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

Federal National Council

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

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

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

The most recent elections for the 20 elected positions on the FNC were held in October 2023, with, according to media reports, a voter turnout across the UAE of 175,487, or 44.0 per cent. of the electoral college of 398,879.

Soft Power Council

The Soft Power Council reports directly to the UAE Cabinet and leads Sharjah's national agenda by defining a comprehensive strategy to reinforce the country's position with governments and citizens around the world and develops a soft power strategy for the state, including in fields of science, culture, technology, humanitarian work and the economy.

Legal and Court System

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

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

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

The Federal judiciary, whose independence is guaranteed under the Constitution, includes the Federal Supreme Court and Courts of First Instance of each emirate. The Federal Supreme Court consists of five

judges appointed by the Supreme Council. The judges decide on the constitutionality of Federal laws and arbitrate on inter-emirate disputes and disputes between the Federal Government and the emirates.

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

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

International Relations

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

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

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

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

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

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

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

through bilateral negotiations or a reference to international arbitration. The UAE renewed its demand for an end to Iran's occupation of these islands in September 2022.

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

The UAE, along with other Arab states, participated in the Saudi Arabian led intervention in Yemen, which began in 2015. The intervention was in response to requests for assistance from the internationally recognised but domestically contested Yemeni government of President Abd Rabbuh Mansur Hadi. The request was due to a Houthi tribal offensive, aimed at Yemen's provisional capital of Aden.

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

On 5 June 2017, Saudi Arabia, the UAE and Bahrain announced that they would close their airspace and territorial waters with Qatar within 24 hours of the release of the announcement. Saudi Arabia also closed its land border with Qatar, which is Qatar's only land border. Saudi Arabia, the UAE, Bahrain and Egypt also ended diplomatic ties with Qatar. Yemen, Jordan, Libya, Comoros, Senegal and Mauritania also joined the Saudi-led group shortly thereafter and several other countries including Chad, Djibouti, Maldives and Niger announced that they had downgraded their diplomatic ties with Qatar. On 5 January 2021, the UAE, Saudi Arabia, Bahrain and Egypt agreed to restore diplomatic relations with Qatar. Leaders of the six Gulf Cooperation Council member states signed the Al Ula Declaration, lifting the embargo on Qatar and establishing the renewal of diplomatic and economic relations. It remains unclear how the Al Ula Declaration will be implemented and, although the UAE has announced the re-opening of its land, air and sea borders to Qatar, it is still unclear if and when border controls will reach pre-June 2017 levels. In addition, Qatar has issued a number of claims against the UAE, Saudi Arabia, Egypt and Bahrain since the blockade. For example, in July 2020, Qatar Airways commenced proceedings against this bloc of countries seeking damages of at least U.S.\$5.0 billion. Other claims have been in relation to, amongst others, suspension of postal services and pharmaceutical investments as a result of the blockade against Qatar. It is not yet known whether Qatar will withdraw these claims against the UAE.

The Government

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

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

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

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

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

There are more than 70 centralised Government departments, including:

- Directorate of Public Works;
- Department of Culture and Information;
- Finance Department;
- Real Estate Registration Department;
- Economic Development Department;
- Sharjah Petroleum Council;
- Sharjah Police;
- Department of Customs;
- Town Planning Department;
- Department of Civil Aviation; and
- Sharjah City Municipality

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

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

The Government has adopted a strategy for its economy, which is intended to complement the economic growth in other emirates such as Abu Dhabi and Dubai. There is a notable focus on citizen welfare and enrichment, with particular emphasis on the preservation and celebration of Islamic heritage and culture, and on education. The Government has created one of the most prestigious higher education campuses in "University City", which is still expanding with a new Islamic university, Al Qasimia University, having been officially opened in April 2015. The Emirate's tourism offering centres on its cultural offering, with religious and archaeological sites as well as over 20 museums, which culminated in the recognition of Sharjah as the Capital of Islamic Culture for 2014 by the Islamic Organization for Education, Science and Culture (ISESCO), the Capital of Arab Tourism for 2015 by the Arab Council of Tourism Ministers and as the World Book Capital for 2019 by UNESCO. The Government has sought to ensure the provision of high-quality healthcare, environmental improvement and employment opportunities for Sharjah citizens, with the Human Resources Department (a centralised department of the Government) placing citizens into public sector employment since 2005.

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

businesses, with a particular focus on e-government, efficient licensing and fair and proportionate regulation and inspection.

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

The Government's fiscal stance is set out in its 2023 Fiscal Plan. The Government established the Debt Management Office (the "**DMO**") in 2012 to coordinate borrowing activity in the public sector (for further detail, see "*Indebtedness*" below).

The Government's Economic Strategy

Promoting Long-Term Sustainability

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

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

- relatively low reliance on volatile sectors (real estate, hydrocarbons) for economic activity and Government revenues;
- well established concentrations of economic activity in more stable sectors;
- attraction of new companies and foreign investment;
- high-quality infrastructure and public services;
- low commercial exposure to volatile sectors through GREs and investments;
- diverse sources of revenue and ability to reduce expenditure (if necessary); and
- low contingent liabilities.

2023 Fiscal Plan

In January 2023, the Government announced the Fiscal Plan. The Government has traditionally operated under an annual budgetary cycle, coordinated by the Sharjah Finance Department. Through the Fiscal Plan, the Government for the first time set out its multi-year, medium term-financial plans. The Government plans to balance the primary budget (the budget excluding interest expense on indebtedness) by 2027 and until at least 2030. The Fiscal Plan also details various policy measures, planned budgetary limits and the expected economic and regulatory developments in terms of their impact on revenues and expenditures between 2023 and 2030. The Fiscal Plan is attached as an appendix to this Base Prospectus. The Fiscal Plan also contains a fiscal forecast of how the Government expects its revenues and expenditures to evolve between 2023 and 2030. This fiscal forecast is subject to a degree of uncertainty and contains a number of assumptions. Some of the measures in the fiscal forecast are still under development and remain subject to revision of the applicable policy or the expected financial effect. In addition, the Government may choose to bring forward additional policy changes that may affect this forecast. This forecast and other forward-looking information contained in the Fiscal Plan are subject to the same qualifications and uncertainties as the other forward-looking statements in this Base Prospectus. See "*Cautionary Statement Regarding Forward Looking Statements*" and "*Risk Factors – Risks Relating to Sharjah and the UAE – The Government's Fiscal Plan may not be successful*".

The budgetary performance data included in this Base Prospectus shows that the Government's total budget deficit was AED 9.8 billion in 2024, compared with a forecast budget deficit of AED 8.4 billion in the

Fiscal Plan. With AED 4.6 billion in debt interest expenditure, the 2024 primary deficit – the Government's main policy focus – was AED 5.2 billion, compared with the Fiscal Plan's forecast of AED 3.5 billion. This increase in the primary deficit was primarily the result of payments toward capital projects exceeding the original budget of AED 1.5 billion by AED 2.8 billion, to reach AED 4.3 billion, although this was partially offset by stronger than expected revenue growth. The Government's 2025 budget anticipates a total budget deficit of AED 9.5 billion and a primary budget deficit of AED 4.1 billion.

Focus Areas for Development

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

Real Estate and Urban Planning

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

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

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

Logistics and Infrastructure

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

Tourism

The Emirates Tourism Council aims to strengthen Sharjah's tourism portfolio, complemented by the launch of the National Tourism Strategy 2031. One of the key aims of the Government's economic strategy is to solidify the Emirate's position as an ideal family tourism destination and cultural hub in the GCC region. In 2024, there were 1.69 million hotel guests, compared to 1.52 million hotel guests in 2023 and 1.24 million hotel guests in 2022. This number remains lower than pre-COVID-19 hotel guests of 1.79 million in 2019. In recognition of the Government's achievements to date, the Emirate was named the "2015 Capital of Arab Tourism" by the Arab Council of Tourism Ministers.

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

The UN Educational, Scientific and Cultural Organization ("UNESCO") named Sharjah as World Book Capital in 2019, under its World Book Capital programme, an initiative launched in 1996 that seeks to

promote publishing activities on local and global levels by nominating an annual capital. The programme aims to promote peace, cultural enrichment, and intercultural dialogue through education, communication and the sharing of information. The House of Wisdom, a 12,000m² physical and digital library and cultural space located adjacent to Sharjah's University City opened in December 2020, is a lasting monument to the World Book Capital accolade.

Education

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

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

Energy and Environment

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

The UAE has established a number of sustainability programmes and strategy, including among others, the UAE Centennial 2071 Programme, UAE-wide strategies focusing on environmental protection and enhancement and UAE-wide strategies focusing on human and social development. In addition, the UAE hosted the 2023 UN Climate Change Conference ("**COP28**") in November 2023.

One of the key UAE-strategies that focuses on environmental protection and enhancement is the UAE's Energy Strategy 2050, which aims to reduce the UAE's carbon footprint, increase the use of clean energy and increase consumption efficiency. The UAE seeks to become a global hub of the new green economy, allowing it to integrate sustainability principles with long-term economic growth. Additionally, the UAE is emerging as a regional leader in renewable energy, particularly solar energy and is also focused on developing blue and green hydrogen as the fuel of the future. Sustainability is also at the heart of the vision of SEWA, as demonstrated by the implementation of:

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

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

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

Sharjah contributes to the UAE's sustainability initiatives through a number of projects. For example, Sharjah was designated as the first healthy city in the MENA region by the World Health Organisation in 2015 and has implemented the Eshan Housing Programme to support local citizens' housing needs. The Sobat Greenhouses Project in Al Dhaid aims to create developmental and agricultural communities and produce high-quality organic agricultural products. Sharjah Sustainable City is being developed, which would be the first mixed-use residential project in Sharjah that is expected to be 100 per cent. powered by solar energy and recycle 100 per cent. of its water and waste.

Sharjah is a regional leader in moving to more sustainable waste management practices. The Government established and holds a minority stake in Bee'ah, an environmental services company responsible for waste collection, treatment and disposal in most parts of the Emirate. Working closely with Bee'ah, the Government has set a goal of eliminating waste sent to landfills. This is being achieved through greater

source separation of waste, intelligent waste collection systems, sorting technologies to recover materials and the construction of the GCC's first waste to energy plant. Bee'ah has been able to achieve a waste diversion rate of more than 76 per cent. and the Government intends to continue its successful partnership with Bee'ah in Sharjah. In addition, the Sharjah Waste to Energy plant is the first project in a joint venture established with Bee'ah and Masdar, one of the world's leading renewable energy companies. This facility is expected to divert over 300,000 tonnes of non-recyclable waste away from landfills each year and generate 30 MW of clean energy, powering up to 28,000 homes. In addition, to support UAE efforts to enhance the low-carbon energy mix and treat non-recyclable waste, the project aims to achieve the goal of zero waste and carbon neutrality in Sharjah.

Health

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

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

UAE Food Security Strategy

In 2017, the Federal Government established the Ministry of Food and Water Security, which focuses on food waste, nutrition and trade. In 2019, the Federal Government established the Food Security Council to ensure sustainable food supply to the UAE. In addition, the National Food Strategy 2051 aims to position the UAE as the world's leader in the Global Security Index by 2051. The National Food Strategy 2051 has 38 key initiatives and five strategic goals, which include diversifying food import sources and identifying alternative food supply sources. As the UAE still imports 90 per cent. of its food needs, it has placed agriculture, aquaculture and the employment of cutting-edge technology in these sectors as essential in consolidating its food security strategy and to incentivise domestic agricultural production. The UAE is also a major importer of Ukrainian wheat. The UAE started trade talks in December 2022 with Ukraine to establish a comprehensive economic partnership agreement with Ukraine to boost trade and investment globally.

Ratings

In July 2022, Moody's downgraded Sharjah's main credit rating from Baa3 to Ba1 but changed the rating outlook from negative to stable. The downgrade to Ba1 was driven by Moody's expectation of further significant deterioration in Sharjah's fiscal strength over the next few years, and the absence of a credible fiscal adjustment plan that could stop and eventually reverse the upward trend in Sharjah's debt burden and the weakening of its debt affordability metrics. The stable outlook reflected Moody's view that at the Ba1 level the risks to Sharjah's ratings were balanced. On 27 January 2023, following the announcement of the Fiscal Plan, Moody's published a report noting that the announcement of a multi-year fiscal plan indicated a greater willingness to try and better balance social demands with fiscal and financial stability considerations, which Moody's believes will slow the accumulation of government debt. Moody's also noted that a multi-year plan demonstrates greater transparency in policy making, which is a credit positive. On 1 August 2023, Moody's released an update noting that Sharjah's narrow revenue base, limited track record of fiscal policy effectiveness, and rising debt burden are its key credit challenges. The note also reiterated its remarks of prior reports that the multiyear fiscal adjustment strategy announced in early 2023 marks a potential turning point and indicates the Government's greater willingness to balance social demands against debt sustainability considerations. On 5 February 2025, Moody's affirmed Sharjah's credit rating as Ba1 with stable outlook.

In November 2022, S&P affirmed the long- and short-term foreign and local currency sovereign credit rating of Sharjah at BBB- and A-3 respectively with a negative outlook. However, in January 2023, following the announcement of the Fiscal Plan, S&P revised its outlook on Sharjah from negative to stable

and affirmed Sharjah's ratings at BBB- and A-3. The stable outlook balanced S&P's view that Sharjah would introduce sufficient measures to begin stabilising its debt burden over the next two years against risks that the implementation of the necessary expenditure controls and revenue-enhancing measures might be weaker than expected. S&P noted that it could lower Sharjah's ratings over the next two years if Sharjah's net debt burden rose sharply or if additional contingent liabilities materialised on Sharjah's balance sheet. However, S&P also noted that it could raise its ratings if Sharjah's fiscal performance significantly strengthened, evidenced by a sustainable reduction in net government debt levels. S&P affirmed the BBB- and A-3 ratings, as well as the stable outlooks, in its ratings action on 17 May 2024. On 21 March 2025, S&P revised the outlook of Sharjah to negative and affirmed the 'BBB-/A-3' ratings, citing rising fiscal risks with potential for higher-than-expected deficits and fiscal slippages on the expenditure side as primary reasons.

There can be no assurance that Sharjah's credit ratings will not be subject to further downgrades or (in the case of S&P) fall below investment-grade status in the future.

Business Address

The address of the Sharjah Finance Department is Al Layyeh Suburb, P.O. Box 201 Sharjah, United Arab Emirates, and its telephone number is: +971 6 528 8880.

THE ECONOMY OF SHARJAH

Introduction

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

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

In contrast to some states/countries in the GCC, the Government is not extensively involved directly in the major commercial sectors of the economy. It has minority shareholdings in some strategic enterprises and directly operates critical infrastructure, but otherwise seeks to encourage the private sector to lead economic growth. Clusters of specialisation have developed around the Emirate's 19 industrial areas and two established free zones, with many businesses growing up from the large number of SMEs, and the Government envisages future development in sectors such as tourism, healthcare, environmental industries, logistics and education. Economic activity and growth have been spread broadly across economic sectors, and the economy remains well diversified.

Gross Domestic Product

The Emirate's economy is relatively well-diversified and has limited direct exposure to the hydrocarbon and real estate sectors. In 2024, the Emirate's GDP increased (in nominal terms) to AED 161.5 billion (based on preliminary data subject to revision), as compared with AED 149.0 billion in 2023, representing a 8.4 per cent. increase from 2023 in nominal terms. The wholesale and retail trade sector is the largest sector of the Sharjah economy, accounting for 22.5 per cent. of its GDP in 2024, followed by the manufacturing sector, which accounted for 18.1 per cent. of GDP in 2024 based on preliminary data.

The UAE has one of the largest economies in the MENA region, with nominal GDP of AED 2,028.4 billion in 2024, according to preliminary estimates.

The following table shows the UAE and Sharjah nominal GDP for the years indicated:

	2020	2021	2022	2023	2024*
Sharjah nominal GDP (AED billion)	124.6	130.1	140.0	149.0	161.5
Percentage change compared to prior year	(0.4)	4.4	7.6	6.4	8.4
UAE nominal GDP (AED billion)	1,312	1,551	1,878	1,919	2,028
Percentage change compared to prior year	(17.7)	18.2	21.1	2.2	5.7
Sharjah nominal GDP as percentage of UAE nominal GDP	9.5	8.4	7.5	7.8	8.0

Source: FCSC, DSCD

*Preliminary data, subject to revision

Sharjah's GDP growth has been largely driven by a diverse private sector, with over 120,000 companies registered in onshore and freezone jurisdictions, including more than 69,000 companies registered onshore (i.e. not in one of the free zones) by the SEDD, as shown in the table below.

	2020	2021	2022	2023	2024
Number of Licences	55,711	60,299	63,247	66,365	69,862

Source: SEDD.

Principal Sectors of the Economy

Sharjah's economy is well diversified without any single sector contributing more than 25 per cent. of GDP in 2024. Recent economic growth has been broad-based across multiple sectors.

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

	2020	% of total	2021	% of total	2022	% of total	2023	% of total	2024*	% of total
	(AED millions)		(AED millions)		(AED millions)		(AED millions)		(AED millions)	
Agriculture, Forestry and Fishing.....	1,545	1.2	1580	1.2	1,675	1.2	2,005	1.3	2,338	1.4
Mining and quarrying (includes crude oil and natural gas).....	3,241	2.6	3,270	2.5	4,201	3.0	3,362	2.3	3,106	1.9
Manufacturing	21,231	17.0	21,875	16.8	25,076	17.9	27,015	18.1	29,255	18.1
Electricity, gas and water supply; waste management activities	4,169	3.3	4,205	3.2	4,454	3.2	4,815	3.2	5,219	3.2
Construction	11,552	9.3	11,787	9.1	12,296	8.8	13,139	8.8	14,312	8.9
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	28,217	22.7	31,120	23.9	32,545	23.3	33,413	22.4	36,296	22.5
Transportation and storage....	6,205	5.0	6,525	5.0	6,835	4.9	7,284	4.9	8,003	5.0
Accommodation and food services activities.....	2,445	2.0	2,580	2.0	2,895	2.1	3,392	2.3	3,646	2.3
Information and communication	1,062	0.9	1,120	0.9	1,170	0.8	1,248	0.8	1,308	0.8
Financial and insurance activities	5,230	4.2	5,390	4.1	5,695	4.1	6,181	4.1	6,686	4.1
Real estate activities	12,490	10.0	12,750	9.8	13,545	9.7	15,011	10.1	16,453	10.2
Professional, scientific and technical activities	6,838	5.5	6,880	5.3	7,145	5.1	7,366	4.9	7,701	4.8
Administrative and support service activities	2,174	1.7	2,185	1.7	2,287	1.6	2,449	1.6	2,620	1.6
Public administration and defence; compulsory social security	9,241	7.4	9,571	7.4	10,205	7.3	12,135	8.1	13,731	8.5
Education.....	3,346	2.7	3,475	2.7	3,699	2.6	3,895	2.6	4,159	2.6
Human health and social work activities	1,900	1.5	1,948	1.5	2,057	1.5	2,193	1.5	2,375	1.5
Arts, recreation and other service activities	2,821	2.3	2,955	2.3	3,092	2.2	3,175	2.1	3,388	2.1
Activities of households as employers	862	0.7	875	0.7	897	0.6	923	0.6	953	0.6
Total.....	124,567	100.0	130,091	100.0	139,769	100.0	149,001	100.0	161,547	100.0
Total Non-oil	121,327	97.4	126,821	97.5	135,568	97.0	145,639	97.7	158,441	98.1

Source: DSCD.

* Preliminary data, subject to revision.

Wholesale and retail trade

The wholesale and retail trade sector is the largest measured sector of Sharjah's economy and contributed 22.5 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 22.4 per cent. in 2023, 23.3 per cent. in 2022, 23.9 per cent. in 2021 and 22.7 per cent. in 2020.

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

Most activity in this sector is firmly led by the private sector. Sharjah Holding, a joint venture between the Government and Majid Al Futtaim Properties LLC, is currently developing neighbourhood malls to service residential districts within Sharjah. 2021 saw the opening of a number of major new retail outlets in Sharjah. Majid Al Futtaim Properties LLC opened City Centre Al Zahia, Sharjah's largest mall, a "super-regional" scale complex with a gross leasable area of 136,200 square metres. Alef Group opened the 06 Mall, catering to the high-end retail and food and beverage segment. The Sharjah Cooperative Society led the development of Rahmania Mall, providing 60,000 square metres of retail and entertainment space.

As noted above, although most activity in this sector is led by the private sector, the Government has become directly involved in some projects of strategic and/or social importance, including the construction of a fish, meat, fruit and vegetable market in the Jubail district, consisting of a 400-unit facility at a cost of approximately AED 173 million. Completed in 2015, the market in the Jubail district of Sharjah City exists

to protect traditional local trade, enhance product quality and to attract tourists and shoppers to the heritage area of Sharjah City.

In addition, since 2016 the Government has worked to relocate Sharjah's long-established used car sector to the new Souq Al Haraj at a cost to the Government of approximately AED 268 million. The site has grown to be the largest automotive hub in the Middle East region, with some 370 car showrooms.

Manufacturing

The manufacturing sector is the second-largest measured sector of Sharjah's economy and was 18.1 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 18.1 per cent. in 2023, 17.9 per cent. in 2022, 16.8 per cent. in 2021 and 17.0 per cent. in 2020. While the manufacturing sector is diverse and competitive, the most significant sub-sectors include cement, glass, petrochemicals, paint, dried food and household goods.

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

The Government continues to release land for industrial development to facilitate economic expansion. For example, the Al Sajaa area, situated close to two major highways and in close proximity to Sharjah International Airport and Al Hamriya Port, is currently the site of significant industrial activity, including in the oil and gas and cement sub-sectors, and the Government (through Sharjah Asset Management LLC) completed the first and second phases of a project to sell and lease parcels of land covering an area of 1.31 million square metres in Al Sajaa Industrial Oasis in 2021. The Al Sajaa Industrial Oasis comprises 353 plots for light and medium industrial, mixed, retail and accommodation units and plots are available for sale to UAE Nationals, GCC and Arab residents as freehold investments. All other residents may apply for a 100-year leasehold (usufruct right).

Sharjah Cement and Industrial Development Co. (PJSC) ("**SCIDC**") was established in 1977 under an Emiri Decree issued by H.H. The Ruler and is one of Sharjah's important manufacturers in the cement and building materials industry. SCIDC is a private sector company listed on the Abu Dhabi Stock Exchange ("**ADX**"). As at 31 December 2024, the Government held 16.0 per cent. of the shares in SCIDC through Sharjah Asset Management LLC. SCIDC recorded a total comprehensive profit for the year 2024 of AED 38 million, compared to a profit of AED 4 million recorded in 2023. SCIDC's revenue during 2024 was AED 680 million compared to AED 634 million in 2023, reflecting an increase in construction activity across the UAE.

Real Estate Activities

The real estate sector is the third-largest measured sector of Sharjah's economy and contributed 10.2 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 10.1 per cent. in 2023, 9.7 per cent. in 2022, 9.8 per cent. in 2021 and 10.0 per cent. in 2020.

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

On 16 November 2014, H.H. The Ruler issued Executive Council Resolution No. 26 of 2014 ("**Resolution No. 26**"), which allowed foreign nationals and companies owned by foreign nationals to own usufruct rights over vacant plots of land for a period of 100 years in Sharjah, and to register such usufruct rights with the Sharjah Real Estate Department. In November 2022, Law No. 2 of 2022 permitted foreign citizens full freehold ownership in designated development areas. The Government utilises the new arrangements for foreign ownership on a limited number of suitable new developments.

Transaction volumes in 2024 reached 53,602 transactions with a total value of AED 39.9 billion, according to the Real Estate Registration Department (a centralised department of the Government), compared with sales transactions valued at AED 27.1 billion in 2023, AED 24.0 billion in 2022, AED 26.3 billion in 2021 and AED 15.9 billion in 2020.

Financial and Insurance Activities

The financial and insurance activities sector contributed 4.1 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 4.1 per cent. in 2023, 4.1 per cent. in 2022, 4.1 per cent. in 2021 and 4.2 per cent. in 2020.

As at 31 December 2024, there were four banks incorporated in Sharjah: BoS, Invest Bank, Sharjah Islamic Bank ("SIB") and United Arab Bank. As at 31 December 2024, the Government held 39.25 per cent. of the share capital of BoS, and 28.46 per cent. of the share capital of SIB through Sharjah Asset Management LLC, a wholly owned subsidiary of the Finance Department. In addition, as at 31 December 2024, the SSSF holds a 15.12 per cent. stake in SIB, an increase of 6.03 percentage points compared to its 9.09 per cent. stake in SIB as at 31 December 2023. Both BoS and SIB are listed on the ADX (for further detail on the financial sector, see "*Monetary and Financial System — Banking and Financial Services*" below).

In addition to the holdings described above, the Government agreed to support the capital requirements of Invest Bank with an injection of AED 1,115 million. The initial injection was made in April 2019, giving the Government of Sharjah a 50.07 stake in Invest Bank. The second phase of capital support was completed in December 2023 and consisted of the Government participating *pro rata* in and underwriting the remaining portion of an issuance of new shares, and the Government issuing a guarantee of up to AED 3.0 billion against final write-offs of legacy assets over a five-year period, with the annual claims capped at AED 800 million. Following the new share issuance, the Government became the 88.11 per cent. majority shareholder in Invest Bank. Invest Bank used the proceeds of the share issuance to pay a one-off upfront fee of AED 2.6 billion to the Government in respect of the guarantee. While the 2024 budget and the projections for years 2025 to 2027 in the Fiscal Plan reflect a balanced forecast of the annual cost of the Invest Bank guarantee to the Government, there is a risk that the actual calls on the guarantee could be higher. In addition, the Government may face pressure to provide further financial support to Invest Bank in the future if the second phase of capital support does not fully meet Invest Bank's capital requirements. The Government makes annual budgetary provision in relation to this capital support. Invest Bank is listed on the ADX.

In June 2023, the Government injected AED 800 million capital into BoS, in which it was already the largest shareholder (through Sharjah Asset Management), holding 17.16 per cent. of outstanding shares, thereby increasing its shareholding to 39.25 per cent.

Mining and quarrying

The mining and quarrying sector, which includes crude oil and natural gas, contributed 1.9 per cent. to Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 2.3 per cent. in 2023, 3.0 per cent. in 2022, 2.5 per cent. in 2021 and 2.6 per cent. in 2020.

The sector is primarily driven by the production and supply of energy for Sharjah's residents and businesses. Although it produces gas and liquid petroleum gas, Sharjah is a net importer of energy and fuel. In recent years, international crude oil prices have experienced large fluctuations. For example, in 2022, the yearly average OPEC Reference Basket price was U.S.\$100.08 (principally driven by greater demand forecasts and geopolitical tensions around the full-scale Russia-Ukraine conflict which commenced in late February 2022). In 2023, the yearly average OPEC Reference Basket price was U.S.\$82.95, principally driven by changes towards the end of 2022 in the sanctions regime imposed on Russia and announcements by OPEC and non-OPEC members towards the end of 2022 and in early 2023 with the aim of stabilising oil prices. In 2024, the yearly average OPEC Reference Basket price was U.S.\$79.89 per barrel, reflecting concerns about a global recession and reduced demand from major oil consuming countries. The monthly OPEC Reference Basket price for June 2025 was U.S.\$68.87. (see "*Risk Factors — Risk Factors Relating to Sharjah and the UAE — The UAE's economy is significantly affected by volatility in international oil prices and its economy has in the past been, and is likely in the future to continue to be, adversely affected by lengthy periods of low oil prices*").

Although Sharjah is the third-largest hydrocarbon producer in the UAE, after Abu Dhabi and Dubai, this sector is just one of several contributors to the Emirate's economy. Total hydrocarbon production in Sharjah

amounted to 3.23 million barrels of oil equivalent in 2024, 3.28 million barrels of oil equivalent in 2023, 3.72 million barrels of oil equivalent in 2022, 4.18 million barrels of oil equivalent in 2021 and 3.48 million barrels of oil equivalent in 2020. The decline in production in 2024 compared to each of 2023 and 2022 was primarily because it was determined that production at two wells (Mahani-2 and Mahani-3) was not yet commercially viable and one site (Saadi-1) did not demonstrate extractable resources.

In 2024, total hydrocarbon production in Sharjah of 3.23 million barrels of oil equivalent comprised 7.0 billion cubic feet of natural gas, 35.2 kilotonnes of liquefied petroleum gas and 1.04 million barrels of condensates. In 2023, total hydrocarbon production in Sharjah of 3.28 million barrels of oil equivalent comprised 11.42 billion cubic feet of natural gas, 39.67 kilotonnes of liquefied petroleum gas and 1.08 million barrels of condensates. In 2022, total hydrocarbon production in Sharjah of 3.7 million barrels of oil equivalent comprised 13.2 billion cubic feet of natural gas, 47.8 kilotonnes of liquefied petroleum gas and 1.3 million barrels of condensates. In 2021, total hydrocarbon production in Sharjah of 4.2 million barrels of oil equivalent comprised 16.4 billion cubic feet of natural gas, 51.2 kilotonnes of liquefied petroleum gas and 1.5 million barrels of condensates. In 2020, total hydrocarbon production in Sharjah of 3.5 million barrels of oil equivalent comprised 13.5 billion cubic feet of natural gas, 44.9 kilotonnes of liquefied petroleum gas and 1.2 million barrels of condensates.

All hydrocarbon production in Sharjah is overseen by the Sharjah Petroleum Council, a centralised department of the Government. SNOC, which is a separate legal entity wholly owned by the Government, is responsible for most operations on active onshore production facilities in Sharjah, with revenues from such facilities flowing directly to the Government.

SNOC has embarked on several projects to expand and diversify its portfolio. SNOC awarded an engineering, procurement and construction management contract to Petrofac to construct a liquefied petroleum gas blending and truck loading facility to divert liquefied petroleum gas production to the local market which is now operational.

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

Sharjah based Dana Gas PJSC is the 100 per cent. operator of the Sharjah Western Offshore Concession, the Zora field, approximately 35 kilometres offshore from Sharjah. The production facilities include an offshore platform and onshore gas processing plant, where the gas is processed. The gas is sold to SEWA for power generation, with the associated recovered condensate being sold into the local market. Dana Gas PJSC is the Middle East's largest regional private sector natural gas company established in December 2005 with a public listing on the ADX. It has exploration and production assets in Egypt, the Kurdistan region of Iraq and the UAE.

On 13 January 2019, the Government awarded Eni Areas A, B & C onshore Exploration Concession Agreements. These agreements are the result of the first International Competitive Exploration Licensing Round launched by SNOC in 2018 to explore and develop new hydrocarbon resources through the establishment of new partnerships. Concession Area A and C cover respectively an area of 437 square kilometres and 1,184 square kilometres. Eni has acted as operator with 75 per cent. participating interest with SNOC as partner with a 25 per cent. stake. Concession Area B covers an area of 264 square kilometres. SNOC has acted as operator with 50 per cent. participating interest with Eni holding 50 per cent. of stake. In January 2020, SNOC and Eni announced discovery of an inland gas field, "Mahani", with gas flow rates of up to 50 million standard cubic feet per day and associated condensates. In May 2024, SNOC announced discovery of new gas revenues in the onshore Al Hadiba field.

Sharjah's first solar power plant, "SANA", was launched on 25 June 2025. Developed with the support of SNOC and in collaboration with SEWA and Emerge (a partnership between the Abu Dhabi Future Energy Company (Masdar) and EDF Group), SANA spans 850,000 square metres. SANA has a production capacity of 60 megawatts. This new facility can produce clean energy that would be enough to power about 13,780 homes each year, which in turn significantly lowers carbon dioxide emissions and contributes to a cleaner environment. SANA reflects a significant milestone in Sharjah's transition towards sustainable energy and reflects the emirate's commitment to environmental stewardship and innovation.

Construction

The construction sector contributed 8.9 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 8.8 per cent. in 2023, 8.8 per cent. in 2022, 9.1 per cent. in 2021, 9.3 per cent. in 2020.

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

Transportation and storage

The transportation and storage sector contributed 5.0 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 4.9 per cent. in 2023 and 2022, and 5.0 per cent. in 2021 and 2020. The sector is primarily driven by the Emirate's geographic location (bordering all six emirates and the UAE's west and east coasts), and by the development of air and sea ports.

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

Public Administration and Defence

The public administration and defence sector contributed 8.5 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 8.1 per cent. in 2023, 7.3 per cent. in 2022, and 7.4 per cent. in 2021 and 2020. Some government services (including basic healthcare and education for UAE nationals, as well as business licensing and policing) are provided by the Federal Government, with the remainder provided by the Government (see "*Public Finance — Government Finance — Relationship with the Federal Government*").

Accommodation and Food Service

The accommodation and food service activities sector, which includes restaurants and hotels, contributed 2.3 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 2.3 per cent. in 2023, 2.1 per cent. in 2022, and 2.0 per cent. in 2021 and 2020.

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

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

	2020	2021	2022	2023	2024
Rooms	6,842	7,347	7,925	8,193	8,061
Guests (in millions) ⁽¹⁾	1.02	1.18	1.24	1.52	1.69

Source: Commerce and Tourism Development Authority.

⁽¹⁾ Includes UAE nationals.

In 2024, there were 1.69 million hotel guests, an increase of 11.2 per cent. compared to 2023. In 2023, there were 1.52 million hotel guests, an increase of 22.6 per cent. compared to 2022. In 2022, there were 1.24 million hotel guests, an increase of 5.1 per cent. compared to 2021. Hotel occupancy rates for 2024 were 3 per cent. higher than 2023 with total revenue in 2024 for hotels reaching AED 650 million, an increase of 13 per cent. compared to 2023.

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

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

Shurooq is engaged in strategic joint ventures and partnerships in order to improve Sharjah's ability to attract tourists and investors. Examples of such joint ventures include its partnerships with: (i) Eagle Hills to develop three major projects (Maryam Island, Kalba Waterfront and Palace Al Khan) (ii) Nakheel to develop a new community retail centre; and (iii) Diamond Developers to develop a mixed-used project in Sustainable City.

Shurooq is also developing environmental tourism in the region with the expansion of safari lodges in natural reserve areas. The Kingfisher Lodge commenced operations in 2018 and is located in the Kalba natural reserve area. Al Badayer Oasis Lodge and Al Faya Retreat in the Mleiha area opened in 2019.

Electricity, Gas and Water

The electricity, gas and water supply sector, which focuses on distribution to the public, contributed 3.2 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 3.2 per cent. in 2023, 2022 and 2021, and 3.3 per cent. in 2020. The Government wholly owns SEWA, which is responsible for providing power, water and natural gas in the Emirate. As with the mining and quarrying sector, the primary driver of activity in the electricity, gas and water supply sector is demand for utility services from residential, commercial and industrial areas in Sharjah. For further details, see "*Infrastructure — Utilities*" below.

Agriculture, Forestry and Fishing

The agricultural sector contributed 1.4 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 1.3 per cent. in 2023, and 1.2 per cent. in 2022, 2021 and 2020. The sector includes small-scale arable production in areas irrigated from natural oases and aquifers in the north and east of the Emirate, with crops such as vegetables, dates and turf. Dairy and poultry production also form part of the agricultural sector.

Human Health and Social Work Activities

The human health and social work activities sector contributed 1.5 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 2023, 2022, 2021 and 2020. The sector is primarily driven by activities of the Government, whether through the direct facilitation of social services or through the enablement of private sector delivery. The Government established the free zone of Sharjah Healthcare City to capitalise on regional demand for high-quality health services. The free zone authority provides basic infrastructure and a light-touch regulatory environment with the intention of attracting a wide range of healthcare providers from the UAE and from overseas. Sharjah Healthcare City is expected to expand the healthcare cluster, which has, in recent years, begun to develop around the adjacent site of University City, with the development of a teaching hospital, nursing college and dental college.

Other sectors

The other sectors, which include the arts, recreation and other services sector, the education sector and the professional, scientific and technical activities sector, contributed 9.4 per cent. of Sharjah's nominal GDP in 2024 (based on preliminary data subject to revision), 9.7 per cent. in 2023, 10.0 per cent. in 2022, 10.2 per cent. in 2021 and 10.4 per cent. in 2020.

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

AED 10 on all government service fees of AED 50 or more, which will be used alongside other funding to support a research programme, coordinated by the AUS, aiming to make Sharjah the leading research centre in the region.

Inflation

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

Major Groups of Expenditure	2020⁽¹⁾	2021⁽¹⁾	2022⁽²⁾	2023⁽²⁾	2024⁽²⁾
All items of consumer price index	108.22	108.72	104.17	106.06	107.21
Food and non-alcoholic beverages	112.15	113.68	106.51	111.64	113.63
Tobacco Group.....	188.22	188.22	99.96	99.74	93.54
Clothing and Footwear.....	98.31	99.26	103.12	108.27	110.99
Housing, water, electricity, gas fuel	98.42	94.98	98.26	101.10	102.02
Furniture and furnishing, household appliances and repair	101.44	101.25	99.68	102.14	104.43
Health.....	100.30	100.48	100.10	100.47	100.52
Transportation	111.39	119.09	121.43	116.09	114.60
Telecommunications	99.52	99.20	100.13	101.08	100.79
Recreation and Culture.....	102.40	109.37	112.55	118.60	128.22
Education	124.26	127.53	100.32	101.77	104.55
Restaurants and hotels.....	115.61	113.40	106.23	113.62	114.76
Insurance and financial services ⁽³⁾	-	-	-	99.18	99.94
Miscellaneous goods and services.....	120.84	112.83	102.19	105.11	107.43

⁽¹⁾ Base year 2014=100.

⁽²⁾ Base year 2021=100.

⁽³⁾ Insurance and financial services were calculated as an individual group of expenditure from 2023 onwards.

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

	2020⁽¹⁾	2021⁽¹⁾	2022⁽²⁾	2023⁽²⁾	2024⁽²⁾
Sharjah CPI.....	108.22	108.72	104.17	106.06	107.21
Sharjah CPI (percentage change, year on year)	(0.3)	0.46	4.2	1.8	1.1
UAE CPI.....	106.7	106.9	104.8	106.5	108.3
UAE CPI (percentage change, year on year)	(2.1)	0.18	4.8	1.6	1.7

⁽¹⁾ Base year 2014=100.

⁽²⁾ Base year 2021=100.

Source: FCSC.

In 2020, both Sharjah and the UAE saw negative consumer price inflation rates, as the economic restrictions arising from Covid-19 depressed demand for goods and services. While prices remained almost flat in 2021 amid continuing depressed global demand for goods and services, in 2022 the consumer price inflation rate picked up to 4.2 per cent. in Sharjah, led by increasing food and transportation costs, followed by a more balanced inflation environment in 2023, when higher price inflation for items of personal consumption (food, clothing, recreation and culture, restaurants and hotels) was offset by lower figures for essential items such as health, education, telecommunications and utilities, leaving the consumer price inflation rate in Sharjah for 2023 at 1.8 per cent. In 2024, most sectors experienced slight and positive price inflation, with the only outliers being the relatively high inflation in the recreation and culture sector and the deflationary movement in the tobacco group, transportation and telecommunications sectors. The result was a moderate consumer price inflation rate of 1.1 per cent.

Employment and Wages

Data from the 2015 Sharjah Census (the "**2015 Census**") showed that 74 per cent. of Sharjah's residents aged 15 or over were employed, with a further 12 per cent. being domestic workers and 3.0 per cent. being business owners, self-employed or students with employment. 5.3 per cent. of Sharjah's residents were full-time students and 1.6 per cent. were retired, self-supporting or working for free. Only 3.7 per cent. of the resident population were unemployed. In general, non-UAE citizens are required to be employed or to have obtained a 'golden visa' (eligibility depending on, among other categories, assets or professional qualifications) or sponsored by a family member employed or in possession of a 'golden visa' to remain in the UAE.

The table below shows employment by category of Sharjah based UAE nationals aged 15 or over, based on the results of the 2015 Census. (The detailed census information from 2022 is not yet available.)

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

Source: Sharjah Census 2015.

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

A new census was started in September 2022. According to preliminary results, Sharjah's population has reached 1.8 million, a 22 per cent. increase from 1.4 million in 2015. The detailed results of the census will be published once available.

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

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

In December 2021, the Government announced that all Government entities and educational establishments would adopt a new work-week schedule consisting of four days with Friday, Sunday and Saturday being the new weekend. The change came into effect on 1 January 2022. The extended weekend is part of the Government's efforts to enhance work-life balance while increasing productivity and performance.

Infrastructure

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

Roads and Railways

An extensive network of roads has been developed in Sharjah over recent decades. In 2014, the Sharjah Roads and Transport Authority (the "SRTA") was established to combine public transport provision and transport infrastructure planning within the Emirate.

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

In 2019, the Government completed a major new highway to link Khorfakkan Port on the east coast with Sharjah City which includes the UAE's longest rock tunnel through the Hajar mountains. The total cost of the multi-year project, which was funded by the Government, was approximately AED 5 billion.

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

In December 2019, Etihad Rail awarded an AED 4.6 billion civil works and construction contract to a joint venture company formed by China Railway Construction Corporation and National Projects and Construction to link Fujairah and Khorfakkan ports to the network at the Sharjah-Dubai border. In 2015, stage one of the project, which extends 264 kilometres, was delivered, linking the Shah and Habshan gas fields in the Al Dhafra region of Abu Dhabi to the port of Ruwais on the Arabian Gulf, with a capacity of transferring 22,000 tons of sulphur granules daily. The second stage of the project is expected to extend 605 kilometres from Al Ghufeifat on the border with Saudi Arabia to Fujairah on the east coast. Stage A extends over 139 kilometres, linking Ruwais with Al Ghufeifat, stage B, is expected to extend 216 kilometres from Tarif to Seeh Shuaib, stage C, extending 94 kilometres from Jebel Ali to Sharjah and stage D, being 145 kilometres from Sharjah to the ports of Fujairah and Khorfakkan. Construction of the second stage of the project began in January 2020 and major construction works for the second stage have been completed. As of October 2021, stage A has been completed and work on a connection through the town of Al Ghufeifat has also been completed. On 12 October 2022, Etihad Rail completed the tracklaying works on the main line in Sharjah, as part of the last package of the second stage of the project. In March 2024, the Government and Etihad Rail announced that Sharjah would connect to the UAE's passenger rail network with a station located close to the University City.

Ports

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

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

Hamriyah Port, established in 1986, is located adjacent to HFZ, providing marine access for the free zone's industrial operators. The port, which specialises in the provision of bulk, general and project cargo services, is close to major international shipping lanes. It has six deep water berths, is dredged to 14 metres and has three specialised berths for handling petrochemical shipments. Other services include open yard and warehouse storage facilities. In addition, Hamriyah Port has an inner harbour with a 3.2 kilometre quay wall. An LPG back-flow facility at the SNOC LPG Terminal at Hamriyah Port supports LPG import and export and back-flow to the local market.

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

Sharjah International Airport and Aviation

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

	2020	2021	2022	2023	2024
Passengers (millions).....	4.2	7.1	13.1	15.3	17.1
Aircraft movements (thousands)	33.2	57.6	87.4	98.4	107.8
Cargo (thousand tonnes).....	99.6	140.7	170.5	141.5	194.9

SIA hosts flights from 33 airlines (including passenger and cargo airlines) and serves over 100 destinations. SIA recorded 17.1 million passengers during 2024, compared to 15.3 million passengers during 2023 at SIA, an increase of 11.8 per cent. compared with 2023. In 2019, the last year prior to the declaration of COVID-19 as a global pandemic in 2020, SIA recorded 13.6 million passengers. In addition, aircraft movement increased at SIA in 2024, with 107.8 thousand flights compared with 98.4 thousand flights

during 2023. The total cargo handled by SIA for 2024 amounted to 194.9 thousand tonnes compared with 141.5 thousand tonnes in 2023, with airport capacity continuing to be prioritised for passenger use.

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

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

The second phase of the expansion of SIA is in progress by Sharjah Airport Authority, with the objective of increasing capacity through the construction of a second terminal in addition to the second runway. The planned expansion is expected to increase the airport's capacity to 20 million passengers per annum following completion, which is expected by 2027. Financing for the expansion will come from a combination of Sharjah Airport Authority's existing revenues and debt financing.

Air Arabia was incorporated in 2003 as the first low-cost airline in the Middle East and is 20.22 per cent. owned by the Government. Air Arabia's primary hub is SIA and it serves over 190 destinations in the MENA region, Asia and Europe. The airline has contributed to an increase in tourism numbers in Sharjah and the wider UAE and more than 12.8 million passengers in 2022, an increase of 90 per cent. from the more than 6.7 million passengers served in 2021. This large increase was primarily due to the easing of COVID-19 travel restrictions. In 2023, Air Arabia served 16.7 million passengers, reflecting a further increase of 31 per cent. compared with 2022. In 2024, Air Arabia served 18.8 million passengers, reflecting an increase of 12 per cent. compared with 2023. Air Arabia is listed on the Dubai Financial Market (the "DFM").

Telecommunications

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

Since 2006, a second telecommunications company was licensed to operate in the UAE, known in the market as "du". According to their publicly disclosed information, the Federal Government, through the Emirates Investment Authority, is the majority shareholder with 50.12 per cent. of the shares. The shares are publicly traded.

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

Utilities

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

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

Electricity is generated by gas and diesel fired power stations located within the Emirate. In 2024, electricity consumption in Sharjah was 14.1 billion KWh, up from 13.1 billion KWh in 2023 and 11.9 billion KWh in 2022, according to data from SEWA.

SEWA supplements locally produced electricity through electricity purchase agreements with the Emirates Water and Electricity Company ("EWEC"), the water and power procuring authority falling under Abu Dhabi Power C through the Emirates National Grid. Total demand for electricity in Sharjah has increased gradually from 2,013 MW in 2013 to 4,066 MW in 2023. In 2024, the peak demand for electricity in Sharjah was 2,977 MW. SEWA planned to meet this need by increasing generating capacity, increasing the use of natural gas from Sharjah's own gas fields and by entering into additional electricity purchase agreements with the ADWEC and fuel supply arrangements, subject to commercial negotiations with third parties. Although SEWA has recorded operational losses in recent years, a long-term plan has been devised to address the need for new capacity and to diversify fuel mix and the supplier base in the expectation that this will help improve SEWA's results in the future. SEWA's planned investment programme includes a 1,800 MW combined cycle gas turbine plant in Al Hamriyah, which was procured under the Independent Power Producer structure, with SEWA as the sole off-taker and Sharjah Asset Management LLC as a minority shareholder in the project consortium. By May 2023, 100 per cent. of the work at Al Hamriyah power plant had been completed. Currently, all three phases are operational.

Additionally, a 1,026 MW combined cycle gas turbine plant in Al Layyeh was being procured under a conventional Engineering, Procurement and Construction contract model, primarily using export finance with SEWA as the obligor (with no Government guarantee). SEWA is also considering expansion of its water desalination capacity and electricity transmission and distribution network.

In 2024, SEWA provided 150.7 million cubic metres of natural gas to properties, extracted 1,052.4 million gallons of water from underground sources and produced 17,560 million gallons of water through desalination.

Education

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

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

The American University of Sharjah is among the top 400 universities in the world according to QS World University Rankings (2025). The American University of Sharjah campus was established in 1997 and had a total enrolment of 6,344 students for the Fall 2024 semester.

In April 1997, the Government established the University of Sharjah through Emiri Decree. Since its establishment, the Government has opened other campuses of the University of Sharjah on the east coast of Sharjah to widen educational access. The university has in excess of 19,000 students and was ranked in the top 650 universities worldwide in the QS World University Rankings (2025).

On January 2019, Government signed a memorandum of understanding (MoU) with Arab Academy for Science, Technology and Maritime Transport - Sharjah Branch (the "**AASTMT branch**"), an Egypt based specialised organisation of the Arab League, to establish AASTMT branch in Khor Fakkan, Sharjah.

The new AASTMT branch in Sharjah allows graduates to specialise in various maritime transport sciences and technologies, in addition to international transport, logistics as well as maritime law. Graduates have access to state-of-the-art specialised educational programs and provide the labour market with calibres in all fields of the maritime industry.

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

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

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

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

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

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

Foreign Direct Investment and Free Zones

Foreign Direct Investment

The Government believes Foreign Direct Investment has been an important factor in developing high-value economic activity in its identified sectors.

The Sharjah Foreign Direct Investment Office (Invest in Sharjah) has attracted foreign direct investment into Sharjah from outside the United Arab Emirates. Recorded foreign direct investment amounted to AED 1,068 million, AED 878 million, AED 809 million and AED 5,123 million in 2022, 2021, 2020 and 2019, respectively, using the methodology of the World Bank and the United Nations Conference on Trade and Development, and Shurooq has stated that foreign direct investment exceeded AED 10 billion in 2023. The Sharjah Foreign Direct Investment Office is also active in promoting Sharjah across the globe, including in India, China, the United States, the Kingdom of Saudi Arabia, France, Italy, and Germany.

Shurooq

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

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

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

Shurooq also acts directly in the travel and leisure sector through developments and joint ventures (see "*Principal Sectors of the Economy — Social Accommodation and Food Service*"). These projects are

intended as breakthrough initiatives to encourage and enable the private sector to bring forward its own future high-quality developments.

Sharjah Asset Management

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

Free Zones

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

Free Zones in Sharjah

The free zones in Sharjah offer 100 per cent. foreign ownership, a tax-free environment, free transfer of funds, competitive pricing, a one stop shop for business services and long-lease periods. The following free zones located in Sharjah are operational: (i) HFZ (supervised by the Hamriyah Free Zone Authority); (ii) SAIF Zone (supervised by the Sharjah Airport International Free Zone Authority); and (iii) Sharjah Healthcare City, which is a free zone dedicated to Healthcare. In addition, Sharjah has a media free zone, Shams (as defined herein), which was established by Emiri Decree in 2016 to play a lead role in growing the Emirate's media and creative sectors, attracting entrepreneurs and startups and developing local talent. As part of the research programme being undertaken by the Government, the Sharjah Research, Technology and Innovation Park Free Zone has been established adjacent to University City. This free zone is being created to develop and manage an ecosystem that promotes research and development, supports enterprise activities and the triple helix collaboration of industry, government and academia.

Despite strong competition from other free zones, HFZ and SAIF Zone have contributed substantially to economic activity in Sharjah in recent years. The number of companies operating in each of HFZ and SAIF Zone are set out in the following table:

	2020	2021	2022	2023	2024
HFZ.....	4,811	4,737	4,920	5,155	5,388
Saif Zone.....	5,618	5,562	5,346	5,228	5,121
Sharjah Media City	6,992	11,563	13,323	14,789	18,336
SRTIP	55	709	1,431	3,201	4,055
Sharjah Publishing City.....	175	2,017	6,115	11,094	18,347

• *Hamriyah Free Zone*

- HFZ is located 20 kilometres northeast of the centre of Sharjah City and is the second-largest industrial free zone in the UAE. As at 31 December 2024, there were 5,388 companies incorporated/licensed in HFZ from over 150 countries. HFZ is currently being expanded to provide increased space in the free zone in the maritime sector as well as the petrochemical and timber sectors.
- Although a significant proportion of tenants in HFZ are involved in heavier and basic industries, due to HFZ's large land area and proximity to the ports, in practice a wide range of activities are conducted by companies operating in the free zone. As at 31 December

2022, the top five tenants in HFZ were: (i) Lamprell Energy Ltd.; (ii) Damen Shipyard Sharjah FZE; (iii) Quality International Co. LTD. FZC; (iv) Eversendai Engineering FZE; and (v) Universal Energy FZE. As at 31 December 2023, the key sectors of HFZ, in terms of the number of companies operating in the free zone, were heavy engineering and equipment (19.0 per cent.), oil and gas, petrochemicals (15.0 per cent.), fabrication units (13.0 per cent.) and professional services (15.0 per cent.).

- To support the SME sector, HFZ provides the Hamriyah SME Zone, a large area, established in 2008, supported by inner harbour facilities, which provides preferential economic treatment for SMEs in terms of discounted lease rents and rent holidays in applicable cases. The Hamriyah Free Zone Logistic Village was established to provide an all-in-one logistics and distribution centre for companies operating in HFZ, and comprises over 400 warehouse units, ranging from 275 to 600 square metres in size. Hamriyah MB Zone was established to cater for the requirements of micro business owners and offers convenient and practical business solutions for such business owners.
- In addition to the 22 million square metres of land currently endowed to the HFZ in respect of the first and second phases of HFZ's development, another 4 million square metres has been allocated for the third phase of the HFZ's development, which is nearing completion and is set up for sectors such as steel, heavy engineering and allied industries.
- *Sharjah Airport International Free Zone*
 - SAIF Zone is located adjacent to SIA, making it easily accessible by road to Sharjah's east and west coast seaports as well as providing connectivity by air. Established in 1995 with 35 companies, as at 31 December 2024, SAIF Zone provided services to 5,121 companies employing over 42,381 people.
 - Given its location and the predominance of warehouse and office space, as compared to retail or industrial units, SAIF Zone has a particular focus on light to medium manufacturing, trading and professional services. There are also a number of business service companies operating from SAIF Zone who support other operators in the zone and the SIA area. For further details, see "*Sharjah International Airport and Aviation*" above.
- *Sharjah Media City*
 - Sharjah Media City ("**Shams**") was established in January 2017, with a vision to be a world-class hub for media and creativity in the region. Shams comprises a tax-free city with modern infrastructure and services. Shams' mission is to make creative entrepreneurship accessible to all aspiring startups, SMEs and established companies striving to grow their business both locally and globally. Shams offers smart innovative services, coupled with a holistic community-centred approach.
- *Sharjah Research, Technology and Innovation Park*
 - The Research, Technology and Innovation Park has been developed adjacent to American University of Sharjah campus, by the university's commercial and investment arm AUS Enterprises. Further development continues. The park encourages research, development and knowledge-intensive businesses to establish themselves in the free zone.
- *Sharjah Publishing City*
 - Sharjah Publishing City is a centrally located and easily accessible free zone located seven minutes from Sharjah International Airport and 15 minutes from Dubai International Airport, with access to over 40 trading ports on Sheikh Bin Zayed Road. As a multifaceted business licensing organisation, Sharjah Publishing City provides business friendly legislation, business support services and offers entrepreneurs the expertise, knowhow, and tools to successfully and seamlessly set up businesses in the UAE, operating out of Sharjah.

BALANCE OF PAYMENTS AND FOREIGN TRADE

As Sharjah does not prepare separate balance of payment statistics, this section describes the UAE's balance of payments generally.

The UAE has traditionally pursued a free-trade policy for deeper integration into the global trading system. The UAE pursues a free-trade policy by liberalising its trade regime through free-trade agreements ("FTAs") with other countries and organisations. As a member of the GCC, the UAE's trade policy is closely linked to the trade policy of the other GCC member countries reflecting, among other things, the GCC Economic Agreement of 2002, which calls for a collective negotiation strategy in the conduct of FTAs with major trading partners, and the establishment of the GCC Customs Union in 2003, which was aimed at enhancing economic unity amongst the member states and allowing the member states to engage in FTA negotiations as a unified trading bloc. Data on non-trade flows into and out of the UAE is not complete and is routinely subject to revision, reflecting, in part, weaknesses of the central statistical bodies and, in part, the operations of the large free zones.

Balance of Payments

The table below shows the balance of payments for the UAE for each of the years indicated.

	2019	2020	2021	2022	2023
	<i>(AED billions)</i>				
Current account balance	137.1	77.5	177.9	240.5	192.7
Trade balance (FOB).....	295.5	221.6	287.8	255.4	210.7
Total exports of hydrocarbon	220.8	135.1	230.8	341.2	318.5
Total of non-hydrocarbon exports	415.0	394.5	415.0	368.4	423.6
Re-exports ⁽¹⁾	516.6	469.9	545.4	640.1	713.5
Total exports and re-exports (FOB).....	1,152.4	999.5	1,191.2	1,349.7	1,455.6
Total imports (FOB).....	(856.9)	(778.0)	(903.4)	(1,094.3)	(1,245.0)
Services (net).....	7.6	59.7	98.6	211.1	208.8
Investment income (net).....	7.6	(6.9)	(2.7)	0.2	14.1
Transfers (net).....	(173.6)	(196.9)	(205.8)	(226.2)	(240.8)
Capital and financial account	(90.4)	(97.1)	(96.8)	(313.2)	2.5
Errors and omissions.....	(11.3)	6.0	3.9	1.3	(1.7)
Overall balance	35.7	(13.1)	85.0	10.8	196.5

⁽¹⁾ Includes re-exports of non-monetary gold.

⁽²⁾ Standalone capital account data not available due to the fact that the UAE does not distinguish between cash and non-cash investment inflows.

Source: UAE Central Bank and UAE government sources.

The UAE has a long history of positive trade balances reflecting the importance of its hydrocarbon exports, its more recent successful diversification into other export industries and its significant volumes of re-exports. From total exports and re-exports, the UAE's hydrocarbon exports accounted for 19.2 per cent. in 2019, 13.5 per cent. in 2020, 19.4 per cent. in 2021, 25.3 per cent. in 2022 and 21.9 per cent. in 2023. The UAE's re-exports accounted for 44.8 per cent. in 2019, 47.0 per cent. in 2020 and 45.8 per cent. in 2021, 47.4 per cent. in 2022 and 49.0 per cent. in 2023.

The value of the UAE's hydrocarbon exports, the vast majority of which are made by Abu Dhabi, can be volatile as they depend on prevailing oil prices and the prevailing OPEC production quotas policy. Crude oil makes up the largest part of the UAE's hydrocarbon exports, accounting for 47.3 per cent. in 2023. Data on non-trade flows into and out of the UAE is not complete and is routinely subject to revision, reflecting, in part, weaknesses of the central statistical bodies and, in part, the operations of the large free zones. In general, however, the UAE tends to have a non-trade balance deficit reflecting services outflows underlining the UAE's dependence on foreign services for the development of its industrial and services sectors. In addition, there are significant levels of current transfers principally reflecting expatriate workers' remittances.

In 2020, the UAE's non-hydrocarbon exports fell by 4.9 per cent. compared to 2019. The negative growth in 2020 reflected lower demand as a result of COVID-19. In 2021, the UAE's non-hydrocarbon exports increased by 5.2 per cent. compared to 2020 principally reflecting a recovery after the COVID-19 impacted 2020. In 2022, the UAE's non-hydrocarbon exports increased by 11.2 per cent. compared to 2021 primarily due to an increase in global demand and economic activity. In 2023, the UAE's non-hydrocarbon exports increased by 15.0 per cent. as compared to 2022.

The UAE's imports declined by 9.2 per cent. in 2020 compared to 2019. The UAE's imports grew by 15.3 per cent. in 2021 compared to 2020 and by 21.1 per cent. in 2022 compared to 2021. In 2023, the UAE's imports grew by 13.8 per cent. as compared to 2022.

The UAE's trade balance as a percentage of its nominal GDP was 18.5 per cent. in 2019, 16.8 per cent. in 2020, 18.5 per cent. in 2021, 13.6 per cent. in 2022, and 11.0 per cent. in 2023.

The UAE had a positive current account balance in each of 2019, 2020, 2021, 2022 and 2023 equal to 8.6 per cent. 5.9 per cent., 11.5 per cent., 12.8 per cent. and 10.0 per cent., respectively, of the UAE's nominal GDP in each of these years. The reduction in the current account surplus in 2020 reflected lower overall volumes of global trade, as a result of the COVID-19 pandemic, affecting both import and export levels, and particularly a lower value of hydrocarbon exports from the UAE. The reduction in the current account surplus in 2023 reflected a lower value of hydrocarbon exports from the UAE.

Capital Account

No separate data is released on the UAE's capital account as the UAE does not distinguish between cash and non-cash investment inflows.

In general, the size of the UAE's trade and current account surpluses, coupled with the limited capacity of the local economy to absorb capital, ensures that net foreign capital flows have almost always been outward, entrenching the UAE's position as a net international creditor and foreign investor. Most capital outflows have been directed towards the U.S. and European capital markets although more recently there has also been an increase in direct investment in Europe, Asia, Africa and the wider Middle East.

In 2019, 2020, 2021, 2022 and 2023 the net deficit in the financial account was AED 90.4 billion, AED 97.1 billion, AED 96.8 billion and AED 313.2 billion in 2022, respectively. The change in 2022 was mainly due to the significant increase in net outflow from the banking sector. The surplus of the financial account in 2023 was AED 2.5 billion compared to a deficit of AED 313.2 billion in 2022. The change in 2023 was mainly due to the significant increase in net inflow from direct investment and portfolio investment.

According to data from the UAE Central Bank, capital transfers by the private sector increased from outflows of AED 139.6 billion in 2019 and AED 136.9 billion in 2020 to outflows of AED 140.5 billion and AED 148.0 billion in 2021 and 2022, respectively. In 2023, capital transfers by the private sector further increased to an outflow of AED 154.9 billion. Public sector net transfers abroad increased from AED 34.0 billion in 2019, AED 60.0 billion, AED 65.3 billion, AED 78.2 billion and AED 85.9 billion in 2020, 2021, 2022 and 2023, respectively.

In 2023, the balance of payments showed an overall surplus of AED 192.7 billion, equal to 10.0 per cent. of the UAE's nominal GDP in that year.

According to data from the UAE Central Bank, as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023, the UAE's net foreign reserves (including the IMF) amounted to AED 394.2 billion, AED 381.0 billion, AED 466.1 billion, AED 476.9 billion and AED 673.4 billion, respectively. (see "*Monetary and Financial System — Foreign Reserves*").

The surplus in the trade balance (FOB) decreased from AED 295.5 billion in 2019 to AED 221.6 billion in 2020. The reduction in the surplus in the trade balance (FOB) in 2019 related to the lower value of exported hydrocarbons of all categories, compared with 2018. The reduction in the surplus in the trade balance (FOB) in 2020 was primarily the result of the contraction in global activities worldwide. The surplus in the trade balance (FOB) increased in 2021 to AED 287.8 billion. The increase in the surplus in the trade balance (FOB) in 2021 related to the higher value of exported hydrocarbons in all categories compared to previous years. The surplus in the trade balance (FOB) decreased in 2022 and 2023 to AED 255.4 billion and AED 210.7 billion, respectively. The decreases in the surplus in the trade balance (FOB) in 2022 and 2023 were related primarily to decreases in the value of hydrocarbon exports and increases in the value of travel-related imports and increases in foreign direct investment.

Composition of UAE Foreign Trade

The Government has not published data for the imports and exports of Sharjah since 2014, owing to methodological challenges. The section below summarises the UAE's foreign trade, using information

compiled by the FCSC. Differences in reporting objectives and methodology mean that the aggregated trade data from the FCSC may not match with the trade totals published by the UAE Central Bank.

Top UAE export destinations, percentage of total non-oil exports (export + re-export) based on value	For the year ended 31 December				
	2019	2020	2021 (per cent.)	2022	2023
Saudi Arabia	12.8	13.0	12.3	10.8	10.4
India	7.8	6.8	11.1	9.3	8.4
Iraq	7.3	7.8	6.6	8.3	8.0
United States of America	3.4	3.2	3.5	4.4	4.8
Oman	5.8	5.8	4.7	4.1	3.9
China, Hong Kong Special Administrative Region....	3.0	4.6	5.0	4.0	5.1
China	5.0	4.8	4.2	3.9	3.3
Kuwait	4.6	4.2	4.2	3.8	3.5
Switzerland	7.3	5.9	4.0	3.8	3.9
Turkey	2.0	3.5	1.8	3.1	6.6
Other	54.4	40.4	42.6	44.5	42.1
Total	100.0	100	100.0	100.0	100.0

Top sources of UAE imports, percentage of total imports based on value	For the year ended 31 December				
	2019	2020	2021 (per cent.)	2022	2023
China	16.4	18.4	19.2	20.3	19.8
India	10.7	7.7	7.7	8.2	7.8
United States of America	8.0	7.7	6.2	6.5	6.8
Japan	5.1	4.4	4.0	3.6	3.9
Turkey	1.4	1.4	3.5	2.9	4.5
Saudi Arabia	2.7	3.0	2.7	2.8	2.0
Italy	2.6	2.6	3.0	2.6	2.6
Germany	4.0	3.4	3.1	2.6	2.9
Russian Federation	1.1	0.9	1.4	2.5	1.6
United Kingdom	2.9	2.7	2.0	2.3	2.3
Other	45.1	47.8	47.2	45.7	45.8
Total	100.0	100	100.0	100.0	100.0

Top categories of UAE non-oil exports, percentage of total exports based on value	For the year ended 31 December				
	2018	2019	2020 (per cent.)	2021	2022
Gold including gold plated with platinum unwrought or in semi-manufactured forms, or in powder form	25.7	29.0	41.5	36.5	33.9
Unwrought aluminium	9.1	6.8	4.7	7.1	6.3
Petroleum oils and oils obtained from bituminous minerals, other than crude	2.7	7.2	3.5	4.0	5.5
Articles of jewellery and parts thereof	5.0	3.8	2.1	3.4	4.3
Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	5.4	5.6	4.6	4.1	4.2
Copper wire	4.4	3.6	2.5	3.1	3.2
Polyethylene	4.0	3.3	3.6	3.4	3.0
Polymers of propylene or of other olefins, In primary forms	2.7	1.9	2.4	2.4	2.2
Unused postage, revenue or similar stamps of current or new issue in the country	0.0	0.1	0.0	0.2	1.6
Structures and parts of structures e.g., bridges and bridge sections, lock gates, towers, lattice masts, roofs, roofing framework	1.6	1.8	1.4	1.3	1.6
Other	39.4	36.9	33.7	34.5	34.2
Total	100.0	100.0	100.0	100.0	100.0

Top categories of UAE non-oil re-exports, percentage of total re-exports based on value	For the year ended 31 December				
	2018	2019	2020 (per cent.)	2021	2022
Telephones for cellular networks	16.0	17.2	20.7	19.2	17.5
Diamonds	11.5	9.3	8.8	13.1	12.4
Articles of jewellery and parts thereof	10.9	11.3	4.9	5.3	5.6
Petroleum oils and oils obtained from bituminous minerals, other than crude	2.3	5.3	4.1	4.1	5.5
Cars	7.3	6.1	6.0	5.4	5.4

Top categories of UAE non-oil re-exports, percentage of total re-exports based on value	For the year ended 31 December				
	2018	2019	2020	2021	2022
Automatic data processing machines and units thereof.....	3.5	3.4	5.4	4.9	4.7
Parts and accessories of motor vehicles	2.0	1.9	2.4	2.2	2.4
Parts of aircraft	3.3	2.3	1.8	1.5	1.5
Turbojets, turbo propellers and other gas turbines	1.3	1.0	1.1	1.0	1.3
Unused postage, revenue or similar stamps of current or new issue in the country	0.0	0.0	0.0	0.1	1.2
Other.....	41.9	42.2	44.8	43.2	42.5
Total.....	100.0	100.0	100.0	100.0	100.0

Top categories of UAE imports, percentage of total imports based on value	For the year ended 31 December				
	2018	2019	2020	2021	2022
			(per cent.)		
Gold (unwrought or in semi-manufactured forms).....	11.8	12.5	17.0	17.6	17.4
Telephones for cellular networks.....	7.9	8.6	9.1	9.8	9.4
Petroleum oils other than crude	5.6	6.6	6.0	4.6	6.8
Diamonds.....	4.7	4.2	3.8	5.3	5.1
Cars	6.1	5.4	4.7	4.6	5.0
Articles of jewellery and parts thereof.....	5.4	5.8	2.8	3.7	3.8
Automatic data processing machines and units thereof.....	2.4	2.2	3.0	3.0	2.9
Turbojets, turbo propellers and other gas turbines	2.4	2.3	1.8	1.5	1.9
Medicaments.....	1.3	1.3	1.5	1.3	1.1
Parts and accessories of motor vehicles	1.1	1.1	1.1	1.1	1.0
Other.....	51.3	50.0	49.2	47.5	45.6
Total.....	100.0	100.0	100.0	100.0	100.0

Source: FCSC

Sharjah Foreign Trade

External trade continues to be a significant contributor to the Sharjah economy. As at the date of this Base Prospectus, efforts are underway to boost the export of Sharjah's manufactured products and services by implementing investor-friendly policies including low corporate taxation, zero export taxation, low import duties and free currency transfers. In general terms, Sharjah is a large producer of goods and materials used in manufacturing, construction and industrial activity across the UAE, the Arabian Gulf region and its wider trading zone, extending to the Indian subcontinent, the Levant region, north Africa and east Africa. Major private-sector exporters operate in economic sub-sectors such as oil platform construction, downstream hydrocarbons and petrochemicals, steel manufacture and shipbuilding. Sharjah also hosts a large amount of re-export trade, centered on its free zones, which builds on its ready access to important shipping lanes and Sharjah International Airport. As in the rest of the UAE, many consumer goods are imported into Sharjah, either directly through Sharjah ports or by road transit after arriving at other locations. As at the date of this Base Prospectus, detailed foreign trade statistical data for Sharjah is not available from 2015 onwards.

MONETARY AND FINANCIAL SYSTEM

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

Monetary and Exchange Rate Policy

The UAE's monetary and exchange rate policy is managed by the UAE Central Bank. The UAE Central Bank promotes financial and monetary stability, efficiency and resilience in the financial system and the protection of consumers through effective supervision intended to support economic growth for the benefit of the UAE and its people. It has powers to issue and manage the currency, manage the UAE's credit policy, develop and manage the banking system in the UAE and is the UAE's representative to international institutions such as the IMF, the World Bank and the Arab Monetary Fund. The UAE Central Bank supervises the UAE banking system through its Banking Supervision and Examination Department.

The objective of the UAE's monetary policy is to facilitate the fixed exchange rate regime and maintaining a stable and convertible currency is a key policy objective. In common with many other GCC countries, and reflecting the fact that oil and gas revenues are priced in U.S. Dollars, the UAE Dirham is pegged to the U.S. Dollar. In the case of the UAE, the exchange rate has been maintained at AED 3.6725 = U.S.\$1.00 since 22 November 1980. Given this policy, the UAE Central Bank has limited scope to use interest rates as a monetary tool but employs other regulatory tools at its disposal including macro prudential policies, reserve requirements, leverage caps, laws and reforms to strengthen financial stability and supervise the banking system. There are no exchange controls in the UAE and the UAE Dirham is freely convertible. The UAE Central Bank closely follows the U.S. Federal Reserve rate (due to the peg to the U.S. Dollar), maintaining the UAE's interest rate in line with rate changes in the United States.

Liquidity and Money Supply

The following table sets out certain liquidity indicators for the UAE for the periods indicated.

	2020	2021	As at 31 December			As at 31 March
			2022	2023	2024	2025 ⁽¹⁾
			<i>(AED billions, except percentages)</i>			
Money Supply M1⁽²⁾	600.1	701.9	737.6	829.3	946.3	986.2
Currency in circulation outside banks.....	94.7	94.1	101.9	117.0	133.2	147.1
Monetary deposits.....	505.3	607.8	635.6	712.3	813.2	839.1
Private Domestic Liquidity: Money Supply M2⁽³⁾	1,478.6	1,563.0	1,703.6	2,022.9	2,315.2	2,437.7
Foreign currency deposits.....	331.2	340.4	429.6	529.6	577.5	582.4
Dirham deposits.....	547.3	520.8	536.5	664.0	791.4	869.1
Overall Domestic Liquidity: Money Supply M3⁽⁴⁾	1,769.4	1,856.9	2,107.2	2,444.5	2,776.6	2,893.7
Government deposits.....	290.8	293.9	403.6	421.6	461.4	456.0
Domestic private sector credit.....	1,124.9	1,137.5	1,185.9	1,260.9	1,357.7	1,393.6
Domestic bank credit.....	1,596.8	1,619.0	1,650.9	1,737.7	1,843.0	1,868.8

Notes:

1. Preliminary data subject to revision.
2. Consists of currency in circulation outside banks plus monetary deposits in local currency with banks.
3. Consists of Money Supply M1 plus quasi-monetary deposits (foreign currency deposits and Dirham deposits).
4. Consists of Money Supply M2 plus government deposits at banks (including the UAE Central Bank). Government deposits comprises deposits from the federal and individual emirati governments and the companies owned by them.

Source: UAE Central Bank.

Money supply M1 (**M1**), which comprises currency in circulation outside banks plus monetary deposits in local currency with banks, increased from AED 600.1 billion as at 31 December 2020 to AED 701.9 billion as at 31 December 2021, primarily due to a rise in monetary deposits by 20.3 per cent. to AED 607.8 billion, partly offset by a decrease in currency in circulation outside banks by 0.6 per cent. to AED 94.1 billion. M1 increased from AED 701.9 billion as at 31 December 2021 to AED 737.6 billion as at 31 December 2022, primarily due to a rise in monetary deposits by 4.6 per cent. to AED 635.6 billion and an increase in currency in circulation outside banks by 8.3 per cent. to AED 101.9 billion. M1 increased from AED 737.6 billion as at 31 December 2022 to AED 829.3 billion as at 31 December 2023, primarily due to an increase in resident AED demand deposits with banks and an increase in currency issued by the UAE Central Bank. M1 increased from AED 829.3 billion as at 31 December 2023 to AED 946.3 billion as at 31 December 2024, primarily due to an increase in monetary deposits by 14.2 per cent. to AED 813.2 billion and an

increase in currency in circulation outside banks by 13.8 per cent. to AED 133.2 billion. M1 was AED 986.2 billion as at 31 March 2025.

Money supply M2 (**M2**), which comprises M1 plus quasi-monetary deposits, increased from AED 1,478.6 billion as at 31 December 2020 to AED 1,563.0 billion as at 31 December 2021, due to the rise in M1, partially offset by a decrease in quasi-monetary deposits. M2 increased from AED 1,563.0 billion as at 31 December 2021 to AED 1,703.6 billion as at 31 December 2022, due to the rise in money supply M1 and in quasi-monetary deposits. M2 increased from AED 1,703.6 billion as at 31 December 2022 to AED 2,022.9 billion as at 31 December 2023 due to an increase in money supply M1 and an increase in quasi-monetary deposits, in particular in resident UAE Dirhams savings and time deposits with banks. This increase was also due to an increase in resident foreign currency deposits (demand, savings and time) with banks. M2 increased from AED 2,022.9 billion as at 31 December 2023 to AED 2,315.2 billion as at 31 December 2024, primarily due to increases in M1 and in quasi-monetary deposits. M2 was AED 2,437.7 billion as at 31 March 2025.

Money supply M3 (**M3**), which comprises M2 plus government deposits with banks and the Central Bank, increased from AED 1,769.4 billion in 2020 to AED 1,856.9 billion as at 31 December 2021, primarily due to increases in M2. M3 increased from AED 1,856.9 billion as at 31 December 2021 to AED 2,107.2 billion as at 31 December 2022, primarily due to increases in money supply M2. M3 increased from AED 2,107.2 billion as at 31 December 2022 to AED 2,444.5 billion as at 31 December 2023, primarily due to an increase in money supply M2 and increase in resident Government sector UAE Dirhams deposits with banks and the UAE Central Bank, offsetting in part the decrease in resident Government sector foreign currency deposits with banks. M3 increased from AED 2,444.5 billion as at 31 December 2023 to AED 2,776.6 as at 31 December 2024 billion, primarily due to an increase in M2, partially offset by a decrease in government deposits. M3 was AED 2,893.7 billion as at 31 March 2025.

Reserves

The table below shows the composition of the gross and net international reserves of the UAE Central Bank at period end for each of the periods presented.

	As at 31 December					As at 31 March
	2020	2021	2022	2023	2024	2025 ⁽¹⁾
	<i>(AED billions)</i>					
Gross international reserves	391.9	481.5	508.4	696.9	874.7	949.6
Current account balances and deposits with banks						
abroad	348.2	280.4	313.8	443.6	581.8	466.4
Foreign investments	4.0	135.9	134.5	187.2	218.9	426.3
IMF Reserves Position + Special Drawing Rights						
Holding	3.8	15.1	14.5	14.7	14.3	14.5
Other foreign assets	35.8	50.2	45.5	50.4	59.8	42.4
Foreign liabilities	10.8	15.4	31.5	22.5	26.0	28.8
Net international reserves	381.0	466.1	476.9	673.4	848.7	920.9

Note:

1. Preliminary data subject to revision.

Source: UAE Central Bank.

The UAE Central Bank's reserves are managed in line with the IMF's guidelines for foreign exchange reserve management and best practice at peer central banks in a well-diversified portfolio of money market and capital markets assets. The reserves are invested in accordance with the strategic asset allocation and risk budget approved by the Board of the UAE Central Bank and also include holdings of gold. The money markets assets consist of deposits with major central banks and commercial banks and also include short-term bonds. The capital market assets are invested in a portfolio of global investment grade bonds. The currency risk is hedged to the U.S. dollar in line with the pegged exchange rate policy in the UAE.

The UAE Central Bank's gross international reserves are principally held in deposit accounts with banks outside the UAE or are invested in securities and treasury bills issued by non-UAE issuers. The official reserves figures exclude the stock of publicly controlled foreign assets held in other accounts in investment bodies controlled by individual emirates as well as the Emirates Investment Authority.

The UAE Central Bank's gross international reserves were AED 391.9 billion in 2020. In 2021, the UAE Central Bank's gross international reserves grew by 22.9 per cent., principally reflecting significant growth in highly liquid debt securities issued by non-UAE issuers. In 2022, the UAE Central Bank's gross international reserves grew by 5.6 per cent., principally reflecting higher current account balances and deposits with banks abroad. In 2023, the UAE Central Bank's gross international reserves grew by 36.9 per cent., principally reflecting higher current account balances and deposits with banks abroad and foreign investments. In 2024, the UAE Central Bank's gross international reserves grew by 25.5 per cent., principally reflecting higher current account balances and deposits with banks abroad and foreign investments. As at 31 March, 2025, based on preliminary estimates, the UAE Central Bank's gross international reserves were AED 949.6 billion.

Statistical Analysis of the UAE Banking Sector

The table below provides a statistical analysis of the UAE banking sector for the periods indicated.

	As at 31 December					As at 31 March
	2020	2021	2022	2023	2024	2025 ⁽¹⁾
	<i>(AED millions, except percentages)</i>					
Total assets.....	3,188,014	3,321,488	3,667,611	4,075,099	4,559,128	970,260
Foreign assets	849,077	933,169	1,191,027	1,313,494	1,572,179	1,650,274
Foreign assets to total assets (%)	26.6%	28.1%	32.5%	32.3%	34.5%	35.0%
Foreign liabilities.....	715,606	778,461	806,943	841,296	970,879	1,038,205
Foreign liabilities to total liabilities (%).....	22.4%	23.4%	22.0%	20.7%	21.3%	22.0%
Deposits ⁽²⁾	1,884,545	1,996,527	2,222,226	2,521,902	2,847,030	2,936,322
Residents	1,682,102	1,765,533	2,009,696	2,319,855	2,601,347	2,687,702
of which: Corporate.....	606,207	671,422	790,086	976,967	1,118,432	1,182,857
Non-residents	202,443	230,994	212,530	202,047	245,683	248,620
of which: Corporate.....	72,250	82,170	103,101	110,387	124,863	123,709
Bank credit (domestic).....	1,596,786	1,618,957	1,650,937	1,737,691	1,842,999	1,868,846
of which: credit to private sector ⁽³⁾	1,124,913	1,137,528	1,185,901	1,260,910	1,357,706	1,393,553
Total number of national banks and branches ..	619	596	586	578	573	569
Total number of foreign banks and branches ..	134	133	134	133	134	134
Number of employees in banks (UAE)⁽⁴⁾	33,444	33,491	35,830	38,168	39,046	38,476

(1) Preliminary.

(2) Excluding inter-bank deposits.

(3) Including claims on other financial institutions.

(4) Excluding auxiliary staff.

Source: UAE Central Bank and UAE government sources.

Banking and Financial Services in Sharjah

As at 31 March 2025, according to preliminary data published by the UAE Central Bank and other publicly available information, in addition to the 21 branches of BoS, Invest Bank, United Arab Bank and SIB (combined) each located in the Emirate, the Emirate also had an additional 52 branches of non-Sharjah based national banks and 13 branches of foreign banks (out of 73 foreign banks and branches throughout the UAE). As at the date of this Base Prospectus, the Government owned 39.3 per cent. of the share capital of BoS (through SAM), 43.6 per cent. of the share capital of SIB (through SAM and SSSF), and 88.1 per cent. of the share capital of Invest Bank.

As at 31 December 2020, BoS, Invest Bank, United Arab Bank and SIB had AED 36,143 million, AED 8,734 million, AED 14,849 million and AED 53,601 million in total assets, respectively.

As at 31 December 2021, BoS, Invest Bank, United Arab Bank and SIB had AED 39,542 million, AED 10,059 million, AED 15,180 million and AED 54,957 million in total assets, respectively.

As at 31 December 2022, BoS, Invest Bank, United Arab Bank and SIB had AED 37,402 million, AED 10,059 million, AED 15,180 million and AED 59,123 million in total assets, respectively.

As at 31 December 2023, BoS, Invest Bank, United Arab Bank and SIB had AED 39,459 million, AED 12,032 million, AED 17,648 million and AED 65,879 million in total assets, respectively.

As at 31 December 2024, BoS, Invest Bank, United Arab Bank and SIB had AED 43,583 million, AED 10,783 million, AED 21,461 million and AED 79,210 million in total assets, respectively.

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

Supervision of Banks

The UAE Central Bank, established in 1980, is the governing body that regulates and supervises all banks operating in the UAE. The UAE Central Bank has supervisory responsibility for all banking institutions in the UAE. Supervision is carried out through on-site inspections and review of periodic submissions from the banks. The frequency of inspection depends on the perceived risk of the bank, but inspections are carried out in all banks at least once every 18 months. Returns are made monthly, quarterly, semi-annually or annually, depending on the nature of the information they are required to contain.

The UAE Central Bank has adopted a Risk Based Supervision (**RBS**) approach to bank supervision. This approach is forward-looking and is designed to identify, assess, measure, monitor and control key risks that licensed institutions in the UAE banking and financial markets are exposed to. Under the RBS approach, the Enforcement Division of the UAE Central Bank assesses the risk management policies and practices that licensed institutions use to control, reduce and mitigate risk. The Enforcement Division specifically focuses on risk areas that pose the greatest risk to the banks' safety and institutional soundness.

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

The UAE Central Bank's activities are currently dictated by the 2018 Banking Law, which came into force in the UAE on 30 September 2018. The 2018 Banking Law repealed two of the UAE's older banking laws including the Federal Law No. 10 of 1980 concerning the status of the UAE Central Bank and its roles managing the currency and supervising the activities of banks and finance companies. The second was the Federal Law No. 6 of 1986 in relation to Islamic banking activities. The 2018 Banking Law reconfirms the UAE Central Bank's role in supervising the banking system in the UAE, directing monetary policy and ensuring economic stability through adequate fiscal policies and consumer protection mechanisms. The 2018 Banking Law also extends the scope of authority of the UAE Central Bank through changes designed to modernise the framework for the licensing and supervision of financial services activities in the state to bring regulation in line with international best practice.

The UAE Central Bank is also responsible for regulating anti-money laundering activities in the UAE. It has established a Financial Intelligence Unit and hosted teams from the and the IMF which reviewed, discussed and tested existing UAE laws and regulations. The FATF is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction.

In April 2020, the Financial Action Task Force (**FATF**) issued its Mutual Evaluation Report (**MER**) on the UAE's anti-money laundering (**AML**) and combatting the financing of terrorism (**CFT**) measures. Based on an assessment conducted in 2019, the MER analyses the level of the UAE's compliance with the FATF's 40 recommendations and the effectiveness of its AML/CFT system and provides recommendations on how the system could be strengthened. Based on the MER, the UAE's National Strategy has been revised in line with the risks identified in the MER and the UAE's National Risk Assessment. In March 2022, the FATF added the UAE to its "grey list" of high-risk jurisdictions. The FATF's report released in October 2023 commended the UAE's progress in aligning with standards, highlighting substantial improvements in its AML/CFT regulatory framework, and the FATF confirmed that the UAE had satisfied its action plan. On 23 February 2024, the FATF removed the UAE from the "grey list".

The UAE ranks 23 on Transparency International's Corruption Perceptions Index 2024, which ranks 180 countries in terms of their perceived level of public sector corruption from lowest to highest.

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

The UAE Central Bank has published regulations relating to non-bank financial institutions and digital payments and is working on further regulations relating to payments and financial technology (**FinTech**). A regulation covering short term credit products such as 'buy now pay later' products was issued in May 2023. A regulation covering guidance for licensed financial institutions on risks related to virtual assets and virtual asset service providers was published on 20 February 2023. A new stored value facilities regulation was issued in November 2020. Regulations on large value and retail payments systems and retail payment activities were issued in 2021. Regulatory guidance in relation to enabling technologies in the financial sector was also issued in conjunction with the other UAE on shore and financial free zone regulatory authorities. A new crowd lending regulation was issued in November 2020. In April 2021, the UAE Central Bank issued a SME Market Conduct Regulation to promote best practices among licensed financial institutions engaging with SMEs. The objective of the regulation is to enhance SMEs' access to financial products and services. In the interest of further developing the financial sector in the UAE, the UAE Central Bank issued a specialised bank regulation in 2021 to accommodate the establishment of new small banks in the UAE focusing on retail community banking services.

The UAE Central Bank has commenced work on a bank recovery and resolution framework. New consumer protection regulations were published in early 2021. Consultation on a new regulatory framework for Islamic finance in the UAE was completed in 2020 and a number of new regulations giving effect to the framework were issued in 2020.

A new corporate governance framework for banks operating in the UAE was put in place in 2019. The new Corporate Governance Regulation and accompanying Standards were published in August 2019. The framework introduces sector-wide policies in line with international best practices, such as the inclusion of independent directors in banks' boards and mandatory committees, the reinforcement of the fit-and-proper process for members of boards and senior management and the introduction of minimum disclosure requirements in banks' annual governance reports. In 2022, the UAE Central Bank issued new corporate governance and risk management and internal controls regulations for the insurance sector.

In 2020, the UAE Central Bank developed a FinTech strategy to underpin the Federal government's drive to establish the UAE as a leading global FinTech hub. The strategy aims to stimulate innovation and collaboration within a culture of robust risk management. To ensure effective FinTech strategy implementation, the UAE Central Bank has launched a dedicated FinTech office and initiatives including the development of a common FinTech regulatory framework, the establishment of co-sandboxing arrangements among regulatory authorities to facilitate faster technological developments and streamline regulatory approval processes, the development of an electronic know your customer protocol to enable non-face-to-face and digital onboarding processes, the implementation of a distributed ledger technology based trade finance platform to reduce the risk of trade fraud and the creation of a FinTech talent development programme. In 2014, the UAE's first bitcoin exchange launched in Dubai and, in July 2021, it was announced that the UAE Central Bank had an interest in issuing a central bank digital currency (the **CBDC**). The launch of the CBDC was announced as part of the UAE Central Banks' 2023-2026 strategy. The UAE Central Bank also intends to promote digital transformation in the UAE's financial services sector and increase financial inclusion through the use of digital IDs and artificial intelligence to improve monitoring and compliance.

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

Characteristics of the Banking System

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

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

Anti-Money Laundering Legislation and Measures

The UAE takes an active part in the fight against money laundering and the financing of terrorism. The crimes of money laundering and financing of terrorism and the financing of illegal organisations are covered under federal criminal statutes and the federal penal code. Federal legislation and the implementation of regulations to combat these crimes are in force throughout the UAE, including the Financial and Commercial Free Zones and their implementation and enforcement are the responsibility of the relevant regulatory and supervisory authorities in either the federal or local jurisdictions. According to the Transparency International Corruption Index, in 2024, the UAE ranked 23 out of 180 countries in the index, and its score was 68 out of 100.

The principal AML and CFT legislation within the UAE is *Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combatting the Financing of Terrorism and Financing of Illegal Organisations* and implementing regulation, Cabinet Decision No. (10) of 2019 Concerning the Implementing Regulation of Decree Law No. (20) of 2018 *On Anti-Money Laundering and Combatting the Financing of Terrorism and Illegal Organisations*. The legislative and regulatory framework of the UAE is part of a larger international AML/CFT Legislative and regulatory framework made up of a system of intergovernmental legislative bodies and international and regional regulatory organisations.

In 2019, the Supervisory Authorities of the UAE published Anti-Money Laundering and Combatting the Financing of Terrorism and the Financing of Illegal Organisations for Financial Institutions (**Guidelines**), to provide guidance and assistance to supervised financial institutions such as the Central Bank of the UAE and aid their understanding and long-term effective performance of their statutory obligations under the legal and regulatory framework in force in the UAE. These Guidelines do not constitute additional legislation or regulation and are not intended to set legal, regulatory or judicial precedent. They are intended instead to be read in conjunction with the relevant laws, cabinet decisions, regulations and regulatory rulings which are currently in force in the UAE and their respective Free Zones. The Guidelines apply to all financial institutions established and/or operating in the UAE and their respective Financial and Commercial Free Zones, whether they establish or maintain a business relationship with a customer, or engage in any of the financial activities and/or transactions or the trade and/or business activities outlined in Articles (2) and (3) of Cabinet Decision No. (10) of 2019 Concerning the Implementing Regulation of Decree Law No. (20) of 2019 on Anti-Money Laundering and Combatting the Financing of Terrorism and Illegal Organisations. These guidelines are also applicable to the members of these financial institutions' boards of directors, management and employees.

Specifically, they are applicable to all such natural and legal persons in the following categories:

- Banks, finance companies, exchange houses, money service business (including *hawaladar* or other monetary value transfer services);
- Insurance companies, agencies and brokers;
- Securities and commodities brokers, dealers, advisers, investment managers; and
- Other financial institutions not mentioned above.

Structure of the Banking System

Banking institutions in the UAE fall into a number of categories. Domestic commercial banks, of which there were 28 as at 31 December 2024, are required to be public shareholding companies with a minimum share capital of AED 2.0 billion. These domestic commercial banks held 88.5 per cent. of the UAE's total banking assets as at 31 December 2024.

Licensed foreign commercial banks, of which there were 38 as at 31 December 2024, need to demonstrate that at least AED 100 million has been allocated as capital funds for their operations in the UAE. The 1980 Law also licenses financial institutions (institutions whose principal functions are to extend credit, carry out financial transactions, invest in moveable property and other activities but are not permitted to accept funds in the form of deposits), investment banks (institutions which may not accept deposits with maturities of less than two years but which may borrow from their head office or other banks and the financial markets) and financial and monetary intermediaries (money and stock brokers).

Capital Adequacy

All banks are required to follow the principles of the Basel accord in calculating their capital adequacy ratios. The Basel III capital framework imposes a minimum Common Equity Tier 1 (CET 1) capital requirement of 7 per cent., a Tier 1 capital requirement of 8.5 per cent. and a total capital requirement of 10.5 per cent. Basel III also imposes three capital buffer requirements on top of the minimum capital requirements, that must be fulfilled with CET1 capital. These requirements are the capital conservation buffer at 2.5 per cent. of risk-weighted assets, surcharges for domestic systemically important banks and a countercyclical buffer. The calculation of capital adequacy ratios in the UAE follows the Bank for International Settlements minimum standards. In particular, claims on or guaranteed by GCC central governments and central banks are risk weighted at zero per cent. and claims on GCC government non-commercial public sector entities are risk-weighted at 100 per cent.

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

As part of the TESS, banks in the UAE were able to utilise 100 per cent. of their domestic systemically important bank buffer and 60 per cent. of their capital conservation buffer without supervisory consequences until 30 June 2022. In addition, the UAE Central Bank is allowing banks to apply a prudential filter to IFRS 9 expected loss provisions. The prudential filter allows any increase in IFRS 9 provisioning compared to 31 December 2019 to be partially added back to regulatory capital. This allowed IFRS 9 provisions to be gradually phased-in over a five-year period until 31 December 2024.

Liquidity

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

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

UAE banks are mostly funded through on demand- or time-based customer deposits made by private individuals or private sector companies based in the UAE. According to the UAE Central Bank, resident deposits constituted approximately 91.5 per cent. of total deposits of the UAE bank deposits (excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements) as at 31 December 2024 and 92.0 per cent. of total deposits as at 31 December 2023. Government deposits contributed 17.3 per cent. of the total domestic deposits from residents and non-residents of the national banks in the UAE banking sector at 31 December 2024 (excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements).

There is currently no formal deposit protection scheme in the UAE. While no bank has, so far, been permitted to fail, during the 1980s and early 1990s a number were restructured by the authorities and, in May 2011, Dubai Bank was taken over by the government of Dubai. In addition, following the impact of the global financial crisis the UAE Central Bank and the UAE Ministry of Finance provided in aggregate AED 70 billion through a range of liquidity support facilities that banks in the UAE could avail by various means. This support included the UAE Ministry of Finance placing deposits, which were later converted into subordinated debt that qualified as Tier 2 capital.

Provisions for Loan Losses

The UAE Central Bank stipulates that non-performing credits should be classified as either substandard, doubtful or loss, depending on the likelihood of recovery, with provisions charged at a minimum of 25 per cent., 50 per cent. and 100 per cent. on the relevant amount (net of any eligible credit protection), respectively. Any retail and consumer loans with either interest or principal in arrears by more than 90 days must be placed on a non-accrual basis and classified as non-performing. In addition, pursuant to Circular

28/2010 concerning regulations for classification of loans and their provisions issued by the UAE Central Bank on 11 November 2010, all banks in the UAE were required to make general provisions for unclassified loans and advances equal to 1.5 per cent. of their risk-weighted assets by 2014. In practice, several banks operate more stringent policies and place loans on a non-accrual basis as soon as their recovery is in doubt.

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

Large Exposures

The UAE Central Bank defines large exposures as any funded or unfunded exposures (less provisions, cash collaterals and deposits under lien) to a single borrower or group of related borrowers exceeding prescribed limits.

On 11 November 2013, the Central Bank published Central Bank Notice No. 32/2013 on large exposures (the "**Large Exposure Notice**") amending certain existing large exposure limits imposed by the Central Bank. The Large Exposure Notice was then replaced by the Large Exposures Regulation introduced by the Central Bank on 22 May 2023. Exposures above limits imposed by the Large Exposures Regulation are subject to approval by the Central Bank. Set out below is a table showing a summary of the limits under the Large Exposures Regulation (defined as a percentage of the bank's capital base calculated under Basel II):

	Cap as percentage of capital base	
	Individual	Aggregate
UAE federal government.....	Not Applicable	Not Applicable
Foreign sovereigns rated at least AA-	Not Applicable	Not Applicable
UAE local governments	Not Applicable	150%
Non-commercial entities of UAE local governments	25%	150%
Commercial entities of UAE federal government and UAE local government.....	25%	100%
Self-sustainable commercial entities of UAE federal and local governments.....	25%	Not applicable
A single borrower or a group of related borrowers.....	25%	Not applicable
Shareholders who own 5 per cent. or more of the bank's capital and their related entities	20%	50%
Globally systemic bank exposure to another globally systemic bank	15%	Not applicable
UAE incorporated bank's exposure to its foreign branches	Not applicable	30%
Exposure to bank's non-bank subsidiaries and affiliates.....	10%	25%
Board members	5%	25%

Mortgage Cap Regulation and Consumer Loan Regulation

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

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

On 12 December 2021, the Central Bank signed a memorandum of understanding with the Central Bank of Iraq to enhance co-operation in banking supervision and set out an enhanced framework to supervise bank exposures to the real estate sector. The new standards cover all types of on-balance-sheet loans and

investments and all off-balance-sheet exposures to the real estate sector and entered into effect on 31 December 2021, starting with a one-year observation period.

On 4 May 2022, the UAE Central Bank announced that it would increase its base rate by 50 basis points to 2.25 per cent. effective 5 May 2022 in response to inflationary pressures. On 15 June 2022, the UAE Central Bank announced that it decided to raise its base rate by 75 basis points effective from 16 June 2022. This decision was taken following the United States Federal Reserve Board's announcement on 15 June 2022 to increase the interest on reserve balances by 75 basis points. In February 2023, the UAE increased its base rate by a further 25 basis points. In May 2023, the UAE Central Bank announced that it would raise the base rate by 25 basis points to 5.15 per cent. from 4.90 per cent. The decision followed the United States Federal Reserve Board's announcement to increase interest rates by a quarter of a percentage point. In July 2023, the United States Federal Reserve Board announced another interest rate increase, increasing its base rate to 5.25 per cent. As a result, the UAE Central Bank also increased its base rate to 5.4 per cent. in July 2023. In September 2024, November 2024 and December 2024 the U.S. Federal Reserve cut the U.S. overnight interest rate by an aggregate of 100 basis points, which the UAE Central Bank tracked. As at the date of this Base Prospectus, the UAE Central Bank has maintained its base rate at 4.40 per cent.

In July 2023, in order to reduce the burden of higher interest rates on home loans for UAE nationals, the UAE Central Bank implemented a number of measures, which included, among others, the extension of the mortgage repayment period tenor and a cap of 50 per cent. of income to customer payments.

Reserve Requirements

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

Position of Depositors

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

Establishment of a Credit Bureau in the UAE

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

Federal Debt Management

In October 2018, UAE Federal Law No. 9 of 2018 Concerning Public Debt (Public Debt Law) was issued. The Public Debt Law permits the UAE Federal Government to issue sovereign debt through the sale of bonds or other debt instruments, which is intended to support the UAE Central Bank in liquidity management in the UAE banking system and is intended to help the UAE banking sector meet international liquidity rules. The Public Debt Law further established that the total amount of outstanding UAE federal public debt shall not, at any time, exceed the amount determined by the Cabinet, at maximum of 250 per cent. of the Federal Government's own stable revenue. In addition, the Public Debt Law is intended to enable banks operating in the UAE to purchase government bonds in AED or foreign currencies, which is intended to help them comply with Basel III requirements. The Public Debt Law also expressly permits the UAE Federal Government to provide guarantees on behalf of federal government authorities and corporations which are wholly owned by the UAE Federal Government. Public debt that can be allocated for infrastructure projects cannot exceed 15 per cent. of the total outstanding public debt at any time.

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

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

Decretal Law No. 11 of 2021 on Issuing Foreign Public Debt of the Federal Government further authorises the Minister of Finance to determine the purposes and terms of foreign public debt to be issued in accordance with the public debt strategy of the Federal Government approved by the Cabinet (the "**Public Debt Strategy**").

Insurance

The UAE Central Bank has the power to regulate and supervise the insurance sector as well as propose and implement legislation to regulate it. The UAE Central Bank is responsible for protecting the rights of the insured and monitoring the solvency of the UAE's insurance companies.

As at 31 December 2023, there were 60 insurance companies operating in the UAE (comprising 23 national insurance companies, 10 national takaful insurance companies and 27 foreign insurance companies), with 499 total related insurance professions, including 163 insurance broker companies, 26 insurance agents companies, 52 insurance consultants, 146 loss and damage adjusters, 74 actuaries, 22 third-party administrators and 16 insurance policies price comparison websites.

The following table sets out certain statistical information relating to the insurance section in the UAE for the years indicated.

	As at 31 December				
	2019	2020	2021	2022	2023
	<i>(AED billions, except where otherwise specified)</i>				
Policies written (<i>million</i>).....	7.6	7.1	8.8	9.8	15.6
Average gross written premium per policy (<i>AED thousand</i>)	5.8	6.0	5.1	4.8	3.4
Gross written premiums.....	44.0	42.5	44.3	47.2	53.5
Gross incurred claims	31.8	31.6	29.8	23.6	36.6
Gross paid claims.....	27.7	30.4	26.6	27.7	31.6
Total invested assets	69.0	72.8	78.9	71.4	77.2
Total profit/(loss)	2.6	2.9	2.5	2.0	2.5

Source: UAE Central Bank

The investment classes in the insurance sector diversified in line with the financial regulations for conventional and Takaful insurance companies. The volume of invested assets increased to AED 77.2 billion in 2023, compared to AED 71.4 billion in 2022. This growth was mainly driven by an increase in real estate investment to AED 4.4 billion in 2023, up from AED 4.3 billion in 2022, and increase in equity and debt securities to AED 32.9 billion in 2023 from AED 29.9 billion in 2022, and a rise in cash and deposits to AED 22.3 billion in 2023 compared to AED 20.0 billion in 2022.

In 2023, 39.7 per cent. was invested in equity and debt securities, 28.9 per cent. in cash and deposits, 5.7 per cent. in real estate assets, 4.0 per cent. in A-rated loans, deposits and other investments and 18.3 per cent. in other invested assets. In 2022, 41.9 per cent. was invested in equity and debt securities, 28.0 per cent. in cash and deposits, 4.6 per cent. in A-rated loans, 5.9 per cent. in real estate investments and 18.7 per cent. in other invested assets. In 2021, 43.0 per cent. was invested in equity and debt securities, 25.4 per cent. in cash and deposits, 5.4 per cent. in A-rated loans, 5.2 per cent. in real estate investments and 21.0 per cent. in other invested assets.

Capital Markets

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

There are no stock exchanges in the Emirate.

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

PUBLIC FINANCE

Government Finance

Government Budget and Financial Information

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

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

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

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

Government Consolidated Accounts

The Government does not prepare consolidated annual or quarterly accounts.

Government Cash Flow Analysis

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

Each area of the Emirate has a Municipality authority, which is responsible for providing local services. There are nine Municipality authorities, of which Sharjah City Municipality is the largest. These Municipality authorities are treated as centralised departments, and their cash flows are consolidated with the Emirate's.

	For the year ended 31 December					2025 ⁽¹⁾ (budgeted)
	2020	2021	2022	2023	2024	
	(AED millions)					
Cash Inflows						
Department of Customs	717	790	799	700	776	800
Economic Development Department	657	785	894	965	1,065	981
Police Department	825	893	866	977	1,229	959
Town Planning Department	112	75	94	87	158	90
Roads and Transport Authority	681	676	558	605	663	612
Sharjah Municipality	1,070	1,213	1,337	1,473	1,795	2,681
Real Estate Department ⁽²⁾	—	—	—	—	972	760
Other Municipalities and Other Departmental						
Revenues	594	670	987	1,443	870	504
Oil and Gas	76	368	1,853	1,335	639	510
Land sales	179	514	331	2,031	2,466	3,000
VAT Receipts and bank tax	1,472	1,848	1,920	2,213	2,246	2,698
Shares/Dividends	75	30	143	100	—	200
Transfer from GREs, and other revenues	1,303	205	230	1,413	671	1,650
Increase in Sharjah Social Security Fund and						
Research Levy	944	845	945	1,094	2,112	1,300
Total Cash Inflows	8,705	8,912	10,957	14,436	15,662	16,745
Cash Expenditure						
Departmental expenditure						
Police	(1,506)	(1,606)	(1,735)	(1,714)	(2,146)	(2,637)

For the year ended 31 December						
	2020	2021	2022	2023	2024	2025 ⁽¹⁾ (budgeted)
	(AED millions)					
Roads and Transport Authority.....	(295)	(340)	(384)	(409)	(483)	(573)
Social Services.....	(661)	(684)	(741)	(819)	(949)	(1,026)
Culture and Information.....	(178)	(165)	(203)	(217)	(208)	(231)
Sharjah TV.....	(585)	(466)	(489)	(529)	(570)	(593)
Customs.....	(332)	(343)	(376)	(409)	(395)	(467)
Sports Council.....	(563)	(601)	(646)	(746)	(777)	(769)
Town Planning.....	(210)	(210)	(221)	(229)	(246)	(285)
Al Diwan Al Amiri, Sharjah.....	(137)	(164)	(183)	(196)	(205)	(147)
Museums.....	(172)	(181)	(191)	(196)	(203)	(212)
Economic Development.....	(213)	(214)	(229)	(241)	(253)	(290)
Islamic Affairs and Awqaf.....	(162)	(167)	(175)	(194)	(217)	(209)
e-Government.....	(124)	(120)	(118)	(177)	(239)	(386)
Public Works.....	(101)	(105)	(109)	(118)	(123)	(146)
Police Sciences Academy.....	(109)	(123)	(133)	(144)	(166)	(204)
Sharjah Municipality.....	(1,314)	(1,362)	(1,637)	(1,662)	(1,811)	(1,948)
Other Municipalities.....	(820)	(880)	(1,030)	(1,104)	(1,236)	(1,386)
Other departmental expenditures.....	(2,092)	(2,496)	(3,040)	(3,276)	(3,790)	(4,396)
Forecast departmental underspend.....	—	—	—	—	—	1,600
Total departmental expenditures.....	(9,574)	(10,227)	(11,640)	(12,380)	(14,017)	(14,305)
Central expenditure						
Contractor Payments.....	(2,604)	(5,838)	(3,700)	(4,173)	(4,325)	(3,000)
Debt Interest.....	(1,371)	(1,750)	(2,257)	(3,974)	(4,557)	(5,327)
Capital injection to Sharjah Asset Management.....	(918)	—	—	—	—	—
Subsidies, Grants and Central Spending.....	(2,023)	(1,814)	(2,070)	(2,643)	(2,527)	(3,566)
Total expenditures.....	(16,490)	(19,629)	(19,666)	(23,170)	(25,426)	(26,198)

Source: Sharjah Finance Department

⁽¹⁾ 2025 figures are from the budget for 2025 and are not actual.

⁽²⁾ Real Estate Development cash flows were previously calculated together with Other Municipalities and Other Departmental Revenues. Real Estate Development cash flows became a separate category of cash flows in 2024 because of its increasing significance as a revenue-generating department.

The Government's revenues for 2022 increased to AED 11.0 billion, primarily as a result of higher departmental revenues, an increase in transfers from GREs and a sharp rise in oil, gas and LPG revenues.

The Government's revenues for 2023 increased to AED 14.4 billion, primarily as a result of an increase in land sales, an increase in transfers from GREs, strong VAT receipts and high cash inflows from other municipalities and departmental revenues.

The Government revenues for 2024 increased to AED 15.7 billion, primarily as a result of increases in revenues from real estate development and increase in social security fund and research levy.

The Government budgeted for revenues to increase in 2025 to AED 16.7 billion, primarily as a result of increases in revenues from the Sharjah Municipality, land sales, VAT receipts & bank tax, and transfers from GREs and other revenues.

Cash inflows from oil and gas decreased from AED 567 million in 2019 to AED 76 million in 2020 and AED 368 million in 2021, reflecting lower production quantities and the fall in hydrocarbon prices (in the case of 2021). Cash inflows from oil and gas were AED 1,853 million in 2022 and AED 1,335 million in 2023, reflecting the higher market price of hydrocarbons. The cash inflows from oil and gas decreased again to AED 639 million in 2024, principally due to production levels being lower than forecast.

Cash inflows from land sales tend to be volatile since they consist of a small number of large payments related to release of land by the Government for project development. These inflows were AED 67 million in 2019 and AED 179 million in 2020. Cash inflows from land sales increased to AED 514 million in 2021, then fell to AED 331 million in 2022. Cash inflows from land sales again increased to AED 2,031 million and AED 2,466 million in 2023 and 2024, respectively. Cash inflows from land sales were budgeted to grow to AED 3,000 million in 2025.

Cash inflows from VAT receipts were AED 1,882 million in 2022, AED 2,186 million in 2023, and were budgeted at AED 2,298 million in 2024 (including a small provision for initial receipts from corporate income tax). The lower rate of inflows of VAT receipts in 2022 reflected the drop in economic activity in 2020 and 2021, accompanied by a lag effect as the receipts moved through the system.

Cash from bank taxes amounted to AED 38 million 2022, AED 27 million in 2023 and was budgeted to be AED 60 million in 2024.

Government Revenue

The Government's revenues totalled AED 8.9 billion for the year ended 31 December 2021, increasing by AED 0.2 billion from AED 8.7 billion for the year ended 31 December 2020, representing an increase of 2.4 per cent. The Government's revenues totalled AED 11.0 billion for the year ended 31 December 2022, increasing by AED 2.0 billion from AED 8.9 billion for the year ended 31 December 2021, representing an increase of 22.9 per cent. The Government's revenues totalled AED 14.4 billion for the year ended 31 December 2023, increasing by AED 3.4 billion from AED 11.0 billion for the year ended 31 December 2022, representing an increase of 30.9 per cent. The Government's revenues totalled AED 15.6 billion for the year ended 31 December 2024, increasing by AED 1.2 billion from AED 14.4 billion for the year ended 31 December 2023, representing an increase of 8.5 per cent.

The Government has a relatively diverse (albeit narrow) revenue base. With the exception of a levy on foreign banks and hydrocarbon extraction, there is no traditional direct tax, although the Federal Government introduced a national value added tax at the rate of 5 per cent. with effect from 1 January 2018 and an excise duty on certain goods in October 2017 and has begun implementation of a corporate income tax for companies starting a financial year after June 2023. Sharjah's allocation of revenues from these indirect taxes began to be disbursed by the UAE Federal Government in 2019 leading to an increase in revenues in spite of the decrease in revenue attributable to lowered GRE transfer and land sale revenue. Prior to 2019, there were no VAT revenues and the revenues collected by the UAE Federal authorities in 2018 began to be disbursed in 2019. This beneficial tax environment provides an incentive for businesses and wage-earners to locate to the Emirate.

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

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

Aggregate oil and gas revenues have been on a long-term declining path notwithstanding year-to-year fluctuations. In 2022, they represented 16.9 per cent. of total cash inflows, reflecting high prices for hydrocarbons in that period, but represented only 9.2 per cent. in 2023 and 4.1 per cent. of revenues in 2024. In 2025, the oil and gas revenues are expected to only represent 3.0 per cent. of total cash inflows. The new gas field discovered in the onshore "Mahani" site became operational in January 2021 and started generating net revenues from commercial exploitation of the reserve in 2022.

Government Expenditure

The Government's expenditure totalled AED 25.4 billion in 2024, compared with AED 23.2 billion in 2023, 19.7 billion in 2022, 19.6 billion in 2021 and 16.5 billion in 2020. The majority of this expenditure is incurred by centralised departments, with wages and other staff costs being the largest element of such expenditure. Salary enhancements and high levels of recruitment have increased departmental spending in recent years.

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

Payments towards capital projects and other "non departmental" expenditure items are managed centrally by the Finance Department.

In addition, the Government has in the past provided significant financial support to important local companies. For example, in 2019 there was a transfer of Government-guaranteed debt from a real estate developer to the Government's balance sheet which contributed to an increase in the Government's debt burden. Also, in December 2018, the Government agreed to support the capital requirements of Invest Bank. An initial injection of AED 1,115 million was made in April 2019, giving the Government of Sharjah a 50.07 stake in Invest Bank. The second phase of capital support was completed in December 2023 and

consisted of the Government participating *pro rata* in, and underwriting the remaining portion of, an issuance of new shares, and the Government issuing a guarantee of up to AED 3.0 billion against final write-offs of legacy assets over a five-year period, with the annual claims capped at AED 800 million. Following the new share issuance, the Government became the 88.11 per cent. majority shareholder in Invest Bank. Invest Bank used the proceeds of the share issuance to pay a one-off upfront fee of AED 2.6 billion to the Government in respect of the guarantee. While the 2025 budget and the projections for years 2025 to 2027 in the Fiscal Plan reflect a balanced forecast of the annual cost of the Invest Bank guarantee to the Government, there is a risk that the actual calls on the guarantee could be higher. In addition, the Government may face pressure to provide further financial support to Invest Bank in the future if the second phase of capital support does not fully meet Invest Bank's capital requirements. The Government makes annual budgetary provision in relation to this capital support.

In June 2023, the Government injected AED 800 million capital into BoS, in which it was already the largest shareholder (through Sharjah Asset Management), thereby increasing its shareholding from 17.16 per cent. to 39.25 per cent.

Overall Budget Position

The Government has incurred budget deficits in recent years to support its spending priorities, including capital investment, public service provision and social security.

Government Overall Budget 2020 – 2025

	For the year ended 31 December					2025 ⁽¹⁾ (budgeted)
	2020	2021	2022	2023	2024	
	(AED millions)					
Expenditure	(16,490)	(19,630)	(19,666)	(23,170)	(25,426)	(26,198)
Revenue	8,705	8,912	10,957	14,436	15,662	16,745
Deficit	(7,785)	(10,719)	(8,709)	(8,734)	(9,764)	(9,453)

⁽¹⁾ 2025 figures are from the budget for 2025 and are not actual.

Government Assets and Investments

Government Assets – Cash and Fixed Assets

The Government does not generally hold very large amounts of cash and from time to time uses short-term working capital facilities to balance cash flow. The Government held cash and cash equivalents of AED 5,951 million as at 31 December 2024, AED 5,388 million as at 31 December 2023, AED 2,343 million as at 31 December 2022 and AED 3,765 million as at 31 December 2021.

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

Government Investments

In addition to its ownership of decentralised departments and independent authorities, the Government has minority shareholdings in a number of private sector businesses. The table below shows the principal listed commercial enterprises in which the Government directly held a shareholding as at 31 December 2024, showing a total asset value of AED 7.6 billion. These are generally strategic investments which the Government intends to hold over the medium to long term because of their importance to the Emirate's development. No material change to this portfolio mix has occurred as at the date of this Base Prospectus.

The Government's holdings in listed companies through SAM and SSSF and the value thereof as at 31 December 2024 was as follows (not including the Government's shares in Invest Bank, which is not currently trading):

Company Name	Market Capitalisation (AED millions)	Sharjah Asset Management Company		SSSF		Combined Shareholding (per cent.)	Combined Value (AED millions)
		Shareholding (per cent.)	Value (AED millions)	Shareholding (per cent.)	Value (AED millions)		
Air Arabia	14,373	19.01	2,732	1.21	33	20.22	2,765

	Sharjah Asset Management Company			SSSF		Combined Shareholding	Combined Value
	Market Capitalisation	Shareholding	Value	Shareholding	Value		
	(AED millions)	(per cent.)	(AED millions)	(per cent.)	(AED millions)	(per cent.)	(AED millions)
Bank of Sharjah Limited.....	2,754	39.25	1,081	-	-	39.25	1,081
Sharjah Islamic Bank .	8,057	28.46	2,293	15.12	1,218	43.58	3,511
Sharjah Cement and Industrial Development Company.....	384	16.02	61	-	-	16.02	61
Dana Gas.....	4,932	3.47	171	-	-	3.47	171
Total Market Value of Listed Shares	30,500	-	6,339	-	1,251	-	7,590

Relationship with the Federal Government

There were no fiscal flows between the Government and the Federal Government in the years 2017-2024, although in 2020 the Federal Government subsequently took responsibility for collecting Value Added Tax and in 2019 began distributing to each emirate the relevant share of proceeds. Despite a lack of financial flows, the Emirate benefits significantly from a range of public services provided at the federal level including:

- basic education for UAE nationals;
- healthcare for UAE nationals;
- defence and foreign policy;
- certain UAE-wide police and civil defence initiatives; and
- postal services.

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

In 2023, total expenditures by the Federal Government amounted to AED 58,214 million compared to AED 53,938 million in 2022. Federal Government expenditure was budgeted for 2024 at AED 64,060 million.

INDEBTEDNESS

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

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

	For the year ended 31 December					
	2019	2020*	2021	2022	2023	2024
Gross Debt (AED millions).....	33,319	42,330	55,451	62,553	75,087	85,877
Gross Debt/GDP (per cent.)	26.6	34.0	42.6	45.7	51.7	53.2
Net Debt ⁽¹⁾ (AED millions).....	30,908	40,979	51,686	60,209	69,699	79,743
Net Debt ⁽¹⁾ /GDP (per cent.)	24.7	32.9	39.7	44.0	48.0	49.4

Notes:

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

* 2020 data restated to include Mubadara in Government sector on a consolidated basis.

According to preliminary data and subject to revision, the Government's gross debt and net debt as at 31 December 2024 was AED 85,877 million and AED 79,743 million, respectively. Net debt increased by AED 10,044 million since 31 December 2023, reflecting the budget deficit financing requirement.

The Government's gross debt and net debt as at 31 December 2023 was AED 75,087 million and AED 69,699 million, respectively. Net debt increased by AED 9,490 million since 31 December 2022, reflecting the budget deficit financing requirement.

The Government's gross debt as at 31 December 2022 was AED 62,552 million, and the Government's net debt as at 31 December 2022 was AED 60,209 million. The increase in net debt of AED 8,523 million as compared to 31 December 2021 was lower than the approved 2022 budget, which forecast an increase of AED 9,169 million.

According to preliminary data and subject to revision, of the Government's total outstanding indebtedness of AED 85,877 million as at 31 December 2024, 75 per cent. was denominated in U.S. Dollar and 23 per cent. was denominated in AED, after taking account of hedging arrangements. Of the total outstanding indebtedness as at 31 December 2024, 38 per cent. was subject to floating interest rates, varying at regular intervals (mainly on a quarterly basis) according to certain market benchmarks, and 62 per cent. was subject to fixed interest rates until maturity.

- 7 per cent. of the Government's debt comprised borrowings from Sharjah-based banks;
- 23 per cent. of the Government's debt comprised borrowings from other UAE-based banks;
- 11 per cent. of the Government's debt comprised borrowings from other GCC-based banks;
- 5 per cent. of the Government's debt comprised borrowings from international banks; and
- 54 per cent. of the Government's debt comprised indebtedness due under the public debt issuances.

The Government has undertaken 15 public sukuk and conventional bond issuances denominated in U.S. Dollar:

- U.S.\$750,000,000 3.764 per cent. trust certificates issued in 2014 by Sharjah Sukuk Limited due September 2024 (redeemed);
- U.S.\$500,000,000 3.839 per cent. trust certificates issued in 2016 by Sharjah Sukuk (2) Limited due 2021 (redeemed);

- U.S.\$1,000,000,000 4.226 per cent. trust certificates issued in 2018 by Sharjah Sukuk Programme Limited under the Programme, which was subsequently increased to U.S.\$1,200,000,000 through a tap of the issuance in 2018 due 2028;
- U.S.\$1,000,000,000 3.854 per cent. trust certificates issued in 2019 by Sharjah Sukuk Programme Limited under the Programme due 2026;
- U.S.\$750,000,000 3.234 per cent. trust certificates issued in 2019 by Sharjah Sukuk Programme Limited under the Programme due 2029, which was subsequently increased to U.S.\$1,000,000,000 through a tap of the issuance in 2020;
- U.S.\$1,000,000,000 2.942 per cent. trust certificates issued in 2020 by Sharjah Sukuk Programme Limited under the Programme due 2027;
- U.S.\$1,000,000,000 4.00 per cent. notes issued in 2020 under the Global Medium Term Note Programme due 2050;
- U.S.\$750,000,000 3.625 per cent. notes issued in 2021 under the Global Medium Term Note Programme due 2033;
- U.S.\$500,000,000 4.375 per cent. notes issued in 2021 under the Global Medium Term Note Programme due 2051;
- U.S.\$750,000,000 3.200 per cent. trust certificates issued in 2021 by Sharjah Sukuk Programme Limited under the Programme due 2031;
- U.S.\$750,000,000 3.886 per cent. trust certificates issued in 2022 by Sharjah Sukuk Programme Limited under the Programme due 2030;
- U.S.\$1,000,000,000 6.500 per cent. notes issued in 2023 under the Global Medium Term Note Programme due 2032;
- U.S.\$750,000,000 6.092 per cent. trust certificates issued in 2023 by Sharjah Sukuk Programme Limited under the Programme due 2034, which was subsequently increased to U.S.\$900,000,000 through a subsequent tap of the issuance in 2023;
- U.S.\$750,000,000 6.125 per cent. notes issued in 2024 under the Global Medium Term Note Programme due 2036, which was subsequently increased to U.S.\$1,000,000,000 through two subsequent taps of the issuance in 2024; and
- U.S.\$750,000,000 5.433 per cent. trust certificates issued in 2024 by Sharjah Sukuk Programme Limited under the Programme due 2035, which was subsequently increased to U.S.\$1,000,000,000 through a subsequent tap of the issuance in 2024.

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

On 3 July 2024, the Government priced AED 1,000,000,000 5.500 per cent. trust certificates due 2029 by way of an AED auction under the Programme.

On 17 July 2024, the Government priced EUR 500,000,000 4.625 per cent. sustainable notes due 2031 under the Global Medium Term Note Programme.

On 6 February 2025, the Government priced EUR 500,000,000 4.625 per cent. notes due 2032 under the Global Medium Term Note Programme.

The maturity profile of the indebtedness outstanding on 31 December 2024 is as set out in the table below and does not include any issuances or redemptions completed in 2025.

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036 - 51
Principal payments (in AED millions).....	11,938	11,697	10,600	9,365	8,502	5,379	4,935	3,811	2,755	3,306	4,407	9,182

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

Wider Public Sector Debt

The table below sets out the details of the main outstanding debt of GREs as at 31 December 2024

	Gross Debt Outstanding	Net Debt ⁽¹⁾
	(AED millions)	
SEWA	16,337	14,977
Sharjah Asset Management	4,125	3,646
Shurooq	1,518	1,348
Bee'ah	1,302	1,365
Seaport Authority	207	119
Sharjah Airport Authority	150	32
Hamriyah Free Zone Authority	7.5	(230)
SAIF Zone	7.5	(55)
Others	1,023	(1,436)
Total	24,677	19,768

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

Source: Finance Department

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

At the end of 2024, the total debt guaranteed by the Government was AED 258 million, for the AUS research programme and Sharjah Research, Technology and Innovation Park Free Zone. The Government has also provided payment shortfall undertakings in borrowings by Shurooq, the University of Sharjah and Sharjah Asset Management in 2024. As at 31 December 2024, the remaining value of these undertakings was AED 1,667 million. There were no calls in 2024 on guarantees granted by the Government.

Total Public Sector Debts

The table below sets out the details of the total public sector outstanding debt, including the Government and GREs as at 31 December in each of the years indicated below.

	2019	2020*	2021	2022	2023	2024
Public Sector Gross Debt (AED millions)	46,062	57,686	72,869	81,938	95,852	110,554
Public Sector Gross Debt/GDP (%)	36.8	46.3	56.0	59.9	64.3	68.4
Public Sector Net Debt ⁽¹⁾ (AED millions)	41,652	53,937	65,840	75,124	87,363	99,693
Public Sector Net Debt ⁽¹⁾ /GDP (%)	33.3	43.3	50.6	54.9	58.6	61.7

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

* 2020 data restated to include Mubadara in Government sector on a consolidated basis.

Public sector net debt was AED 99.7 billion or 61.7 per cent. of GDP in 2024, AED 87.4 billion or 58.6 per cent. in 2023, AED 75.1 billion or 54.9 per cent. of GDP in 2022, AED 65.8 billion or 50.6 per cent. of GDP in 2021, AED 53.9 billion or 43.3 per cent. of GDP in 2020, and AED 41.7 billion or 33.3 per cent. of GDP in 2019.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Trustee, the Government, the Delegate nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Trust Certificates held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised the Trustee that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "banking organization" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to The Depository Trust Company System ("**DTC System**") is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at www.dtcc.com and www.dtc.org, but such information is not incorporated by reference in and does not form part of this Base Prospectus.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Trust Certificates among Direct Participants on whose behalf it acts with respect to Trust Certificates accepted into DTC's book-entry settlement system ("**DTC Trust Certificates**") as described below and receives and transmits distributions of principal and profit and other payments (including Dissolution Amounts and Periodic Distribution Amounts) on DTC Trust Certificates. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Trust Certificates ("**Owners**") have accounts with respect to the DTC Trust Certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Trust Certificates through Direct Participants or Indirect Participants will not possess Trust Certificates, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Trust Certificates.

Purchases of DTC Trust Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Trust Certificates on DTC's records. The ownership interest of each actual purchaser of each DTC Trust Certificate ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Trust Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Certificates, except in the event that use of the book-entry system for the DTC Trust Certificates is discontinued.

To facilitate subsequent transfers, all DTC Trust Certificates deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested

by an authorised representative of DTC. The deposit of DTC Trust Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Trust Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Trust Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Trust Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Trust Certificates unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to the Trustee as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Trust Certificates are credited on the record date (identified in a listing attached to the omnibus proxy).

Periodic Distribution Amounts and Dissolution Amounts on the DTC Trust Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of Periodic Distribution Amounts and Dissolution Amounts to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is a Dissolution Event under the Trust Certificates, DTC will exchange the DTC Trust Certificates for definitive Trust Certificates, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Trust Certificates purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Trust Certificates by causing the Direct Participant to transfer the Participant's interest in the DTC Trust Certificates, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Trust Certificates in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Trust Certificates are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Trust Certificates to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Trust Certificate at any time by giving reasonable notice to the Trustee or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Trust Certificates are required to be printed and delivered.

The Trustee may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Trust Certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Trust Certificates to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Trust Certificates, will be required to withdraw its Trust Certificates from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Book-entry Ownership and Payments in respect of DTC Trust Certificates

The Trustee may apply to DTC in order to have any Tranche of Certificates represented by a Global Trust Certificate accepted in its book-entry settlement system. Upon the issue of any such Global Trust Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective face amounts of the individual beneficial interests represented by such Global Trust Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Global Trust Certificate will be limited to Direct Participants or Indirect Participants, including, in the case of any Unrestricted Global Trust Certificate, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Global Trust Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. Dollars of Periodic Distribution Amounts and Dissolution Amounts in respect of a Global Trust Certificate accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Trust Certificate. In the case of any payment in a currency other than U.S. Dollars, payment will be made to the FX Agent on behalf of DTC or its nominee and the FX Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Trust Certificate in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. Dollars and credited to the applicable Participants' account.

The Trustee expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Trustee also expects that payments by Participants to beneficial owners of Trust Certificates will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the relevant Registrar or the Delegate. Payment of Periodic Distribution Amounts and Dissolution Amounts and any other amounts on Trust Certificates to DTC is the responsibility of the Trustee.

Transfers of Trust Certificates Represented by Registered Global Certificates

Transfers of any interests in Trust Certificates represented by a Global Trust Certificate within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant Clearing System. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Trust Certificates represented by a Global Trust Certificates to such persons may depend upon the ability to exchange such Trust Certificates for Trust Certificates in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Trust Certificates represented by a Global Trust Certificate accepted by DTC to pledge such Trust Certificates to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Trust Certificates may depend upon the ability to exchange such Trust Certificates for Trust Certificates in definitive form. The ability of any holder of Trust Certificates represented by a Global Trust Certificate accepted by DTC to resell, pledge or

otherwise transfer such Trust Certificates may be impaired if the proposed transferee of such Trust Certificates is not eligible to hold such Trust Certificates through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Trust Certificates described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the relevant Registrar, the Principal Paying Agent and any custodian (a "**Custodian**") with whom the relevant Global Trust Certificates have been deposited.

On or after the Issue Date for any Series, transfers of Trust Certificates of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Trust Certificates of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Trust Certificates will be effected through the relevant Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Trust Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Trustee, the Government, the Delegate, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations nor will the Government, any Agent or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Trust Certificates represented by Global Trust Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SETTLEMENT OF PRE-ISSUE TRADES

It is expected that delivery of Trust Certificates will be made against payment therefor on the Issue Date, which could be more than two business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, and effective since 28 May 2024, trades in the United States secondary market generally are required to settle one business day after the trade date (T+1), unless the parties to any such trade expressly agree otherwise.

Accordingly, purchasers who wish to trade Trust Certificates in the United States on the date of pricing or the next succeeding business days until one day prior to the Issue Date will be required, by virtue of the fact the Trust Certificates initially will settle beyond T+1, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary.

Purchasers of Trust Certificates may be affected by such local settlement practices and purchasers of Trust Certificates between the relevant date of pricing and the Issue Date should consult their own advisers.

FORM OF THE TRUST CERTIFICATES

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

The Trust Certificates of each Tranche will be in registered form. Trust Certificates will be issued and sold outside the United States to non U.S. persons in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

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

The Trust Certificates of each Tranche offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to persons reasonably believed to be QIBs that are also QPs. The Trust Certificates of each Tranche sold to QIBs that are also QPs in reliance on Rule 144A will initially be represented by a global certificate in registered form (a "**Restricted Global Trust Certificate**" and, together with an Unrestricted Global Trust Certificate, the "**Global Trust Certificate**"). By the acquisition of a beneficial interest in such Restricted Global Trust Certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB that is also a QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Restricted Global Trust Certificate. No sale of Legended Trust Certificates (as defined under "*U.S. Information*" above) in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) in face amount. In addition, each purchaser of a Trust Certificate will be required to represent that it is not, and is not acting on behalf of, a Benefit Plan Investor or, unless certain conditions apply, a plan that is subject to any Similar Law, as described under "*Certain ERISA and Related Considerations*".

Global Trust Certificates will either: (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the common depositary. Persons holding beneficial interests in Global Trust Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Trust Certificates in fully registered form.

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

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

The calculation of any profit amount in respect of any Trust Certificate which is represented by a Global Trust Certificate will be calculated on the aggregate outstanding face amount of the Trust Certificates represented by such Global Trust Certificate and not by reference to the Calculation Amount.

Interests in a Global Trust Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Trust Certificates only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 17 (*Notices*) if an Exchange Event occurs. For these purposes, "**Exchange Event**" means that: (i) the Delegate has given notice in accordance with Condition 14 (*Dissolution Events*) that a Dissolution Event has occurred and is continuing and the Trust Certificates become due and payable; (ii) in the case of Trust Certificates registered in the name of a

nominee for DTC, either DTC has notified the Trustee that it is unwilling or unable to continue to act as depository for the Trust Certificates and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available (in accordance with the terms of the Global Trust Certificate); or (iii) in the case of Trust Certificates registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, Luxembourg, the Trustee, the Government and the Delegate have been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Trust Certificate) may give notice to the relevant Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Trustee may also give notice to the relevant Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the relevant Registrar.

Definitive Trust Certificates issued in exchange for a beneficial interest in the Restricted Global Trust Certificate shall bear the legends applicable to transfers pursuant to Rule 144A and Rule 3(c)(7) of the Investment Company Act, as set out under "*Subscription and Sale and Transfer And Selling Restrictions—Transfer Restrictions*".

Transfer of Interests

No beneficial interest in an Unrestricted Global Trust Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in a Restricted Global Trust Certificate unless: (i) the transfer is to a person that is both a QIB and a QP, (ii) such transfer is made in reliance on Rule 144A, and (iii) the transferor provides the relevant Registrar with a written certification to the effect that the transferor reasonably believes that the transferee is a QIB that is also a QP, that the transfer is being made in a transaction meeting the requirements of Rule 144A and that such transaction is in accordance with any applicable securities laws of any State of the United States or any other jurisdiction. No beneficial interest in the Restricted Global Trust Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in an Unrestricted Global Trust Certificate unless the transfer is to a non-U.S. person in an offshore transaction in reliance on Regulation S and the transferor provides the relevant Registrar with a written certification to the effect that the transfer is being made to a person who is a non-U.S. person in accordance with Regulation S.

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

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

Trust Certificates are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".

General

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

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

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

FORM OF FINAL TERMS

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

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

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

[Singapore Securities and Futures Act Product Classification] – Solely for the purposes of its obligations pursuant to sections 309B(1)(c) of the Securities and Futures Act 2001 (the "**SFA**"), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Trust Certificates are ["prescribed capital markets products"/capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ["**Excluded Investment Products**"/"**Specified Investment Products**"] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Final Terms dated [•]

Sharjah Sukuk Programme Limited
Legal Entity Identifier (LEI): 549300N3BQ9P6RRMV02
Issue of [Aggregate Face Amount of Tranche] [Title of Trust Certificates]
under the Trust Certificate Issuance Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Trust Certificates (the "**Conditions**") set forth in the base prospectus dated 18 July 2025 [and the supplement(s) thereto dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). This document constitutes the Final Terms of the Trust Certificates described herein [for the purposes of the EU Prospectus Regulation]¹ and must be read in conjunction with the Base Prospectus². Full information on the Trustee, the Government and the offer of the Trust Certificates is only available on the basis of the combination of

¹ To be included only if the Trust Certificates are to be admitted to trading on the regulated market, and listing on the official list, of Euronext Dublin.

² To be deleted where the Trust Certificates are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive.

these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms]³ [is/are] available for viewing on the website of Euronext Dublin (<https://live.euronext.com/en/markets/dublin>) and the website of Nasdaq Dubai (<http://www.nasdaqdubai.com>).]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Trust Certificates (the "**Conditions**") set forth in the base prospectus dated [5 March 2018]/[20 March 2019]/[21 April 2020]/[5 July 2021]/[8 September 2023]/[1 July 2024] which are incorporated by reference in the base prospectus dated 18 July 2025 [and the supplement(s) thereto dated [·]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). This document constitutes the Final Terms of the Trust Certificates described herein [for the purposes of the EU Prospectus Regulation]⁴ and must be read in conjunction with the Base Prospectus⁵. Full information on the Trustee, the Government and the offer of the Trust Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms]⁶ [is/are] available for viewing on the website of Euronext Dublin (<https://live.euronext.com/en/markets/dublin>) and the website of Nasdaq Dubai (<http://www.nasdaqdubai.com>).]

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

³ To be included only if the Trust Certificates are to be admitted to trading on the regulated market, and listing on the official list, of Euronext Dublin.

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

⁵ To be deleted where the Trust Certificates are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive.

⁶ To be included only if the Trust Certificates are to be admitted to trading on the regulated market, and listing on the official list, of Euronext Dublin.

5. Issue Price: [·] per cent. of the Aggregate Face Amount
6. (a) Specified Denominations: [·]
(b) Calculation Amount: [·]
7. (a) Issue Date: [·]
(b) Return Accumulation Commencement Date [[·]/Issue Date]
8. Scheduled Dissolution Date: [·]
9. Periodic Distribution Amount Basis: Fixed Rate Trust Certificates (further particulars specified below in paragraph 14)
10. Dissolution Basis: The Trust Certificates will be redeemed at 100 per cent. of the Aggregate Face Amount
11. Put/Call Rights: [Clean Up Call Right]
[Optional Dissolution Call Right]
[Certificateholder Put Right]
12. Status The Trust Certificates are direct, unsecured, unsubordinated and limited recourse obligations of the Trustee
13. Date of Trustee's approval and date of Government's approval for issuance of Trust Certificates: [·] and [·], respectively

Provisions relating to profit payable (if any)

14. Fixed Periodic Distribution Provisions:
 - (a) Rate[(s)]: [·] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[·]] [in arrear on each Periodic Distribution Date]
 - (b) Return Accumulation Period: [[·]/[Not Applicable]]
 - (c) Periodic Distribution Date(s): [[·] in each year up to and including the Scheduled Dissolution Date]
 - (d) Fixed Amount(s) for Trust Certificates in definitive form (and [·] per Calculation Amount

in relation to Trust Certificates in
global form, see Condition 7):

- (e) Broken Amount(s): [[·] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] [·]/Not Applicable]
- (f) Day Count Fraction: [30/360 / Actual/Actual / Actual/Actual (ICMA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360]
- (g) Determination Date(s): [[·] in each year/Not Applicable]

Provisions relating to dissolution

- 15. Optional Dissolution Call Right: [Applicable/Not Applicable]
 - (a) Optional Dissolution Date(s): [·]⁷
 - (b) Optional Dissolution Amount (Call): [[·]/As per Condition 10.3]
 - (c) Notice periods: [[·]/As per Condition 10.3]
- 16. Certificateholder Put Right: [Applicable/Not Applicable]
 - (a) Optional Dissolution Amount (Put): [[·]/As per Condition 10.5]
 - (b) Certificateholder Put Right Date(s): [·]
 - (c) Notice period: [[·]/As per Condition 10.5]
- 17. Clean Up Call Right: [Applicable/Not Applicable]
 - (a) Clean Up Call Right in respect of Condition 10.5: [Applicable/Not Applicable]
 - (b) Clean Up Call Right in respect of Condition 10.6: [Applicable/Not Applicable]

⁷ No optional dissolution within 365 days of the issue date of the relevant series.

- (c) Clean Up Call Right Dissolution Amount: [[·]/As per Condition 10.7]
- (d) Notice period: [[·]⁸/As per Condition 10.7]
18. Tangibility Event Dissolution Amount: [·]
19. Dissolution Event Amount: [·]
20. Final Dissolution Amount: [·]
21. Other Dissolution Amount: [[·]/Not Applicable]

General provisions applicable to the Trust Certificates

22. Form of Trust Certificates: Trust Certificates in registered form:
- [Unrestricted Global Trust Certificate registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]]
- [Restricted Global Trust Certificate(s) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]]
23. Additional Financial Centre(s): [Not Applicable/[·]]

Provisions in respect of the Trust Assets

24. Trust Assets: Condition 5.1 applies
25. On the Issue Date:
- (a) Ijara Percentage: [·]
- (b) Murabaha Percentage: [·]

⁸ Such notice being 30 days after the Certificateholder Put Right Date or the Tangibility Event Put Right Date.

- | | | | |
|-----|-----|--|---|
| 26. | (a) | Details of Transaction Account (to be held in London): | [Sharjah Sukuk Programme Limited] Transaction Account No: [·] with [·] for Series No.: [·] |
| | (b) | Supplemental Declaration of Trust: | Supplemental Declaration of Trust dated [·] between the Trustee, the Government and the Delegate |
| | (c) | Supplemental Purchase Agreement: | Supplemental Purchase Agreement dated [·] between the Trustee and the Government |
| | (d) | Supplemental Lease Agreement | Supplemental Lease Agreement dated [·] between the Trustee, the Lessor, the Lessee and the Delegate |
| | (e) | [Purchase Order and Letter of Offer and Acceptance: | Purchase Order dated [·] from the Obligor (as " Buyer ") to the Trustee (as " Seller ") and Letter of Offer and Acceptance dated [·] from the Seller to the Buyer.] |
| | (f) | Declaration of Commingling of Assets: | [Declaration of Commingling of Assets dated [·] executed by the Trustee][Not Applicable] |

Signed on behalf of **SHARJAH SUKUK PROGRAMME LIMITED**

Signed on behalf of **THE GOVERNMENT OF THE EMIRATE OF SHARJAH ACTING THROUGH THE SHARJAH FINANCE DEPARTMENT**

By

Duly authorised

By:.....

Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to Trading

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

2. Ratings

Ratings: The Trust Certificates to be issued [have been/are expected to be/will not be] rated.

[Fitch: [·]]

[S&P: [·]]

[Moody's: [·]]

[[·]: [·]]

[·] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). As such, [·] is/are included in the list of credit rating agencies published by the ESMA on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the EU CRA Regulation. [The rating [·] has assigned [is/are] endorsed by [·], which is established in the EEA and registered under the EU CRA Regulation.].

[[·][is/are] established in the United Kingdom and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018. (the "**UK CRA Regulation**"). As such, [·] appear[s] on the latest update of the list of registered credit rating agencies on the UK [Financial Conduct Authority]/[FCA]'s Financial Services Register. [The rating [·] has assigned by [·][is/are] is endorsed by [·], which is established in the UK and registered under the UK CRA Regulation.].

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

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

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

5. **Sustainable Trust Certificates,
Estimated Net Proceeds:**

- (a) Sustainable Trust Certificates: [Yes]/[No]
- (b) Type of Sustainable Trust Certificates: [Green Trust Certificates]/[Social Trust Certificates]/[Sustainability Trust Certificates]
- (c) Reasons for the offer: [See "*Use of Proceeds*" in the Base Prospectus]/[·]
- (d) Estimated net proceeds: [·]

6. **Operational Information**

- (a) ISIN: [·]
- (b) CUSIP: [·]/[Not Applicable]
- (c) CINS: [·]/[Not Applicable]
- (d) Common Code: [·]
- (e) [FISN: [·] / [As set out on the website of the Association of Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]]
- (f) [CFI Code: [·] / [As set out on the website of the Association of Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]]

- (g) Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]
- (h) Delivery Delivery [against/free of] payment
- (i) Names and addresses of additional Paying Agent(s) (if any): [.]

7. **Distribution**

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable]/[.]
- (c) Date of Subscription Agreement: [Not Applicable]/[.]
- (d) Stabilisation Manager(s): [.]
- (e) If non-syndicated, name of relevant Dealer: [Not Applicable]/[.]

TERMS AND CONDITIONS OF THE TRUST CERTIFICATES

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

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

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

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

Each of the Trust Certificates will represent an undivided ownership interest in the Trust Assets (as defined below) which are held by the Trustee on trust (the "**Trust**") for, *inter alia*, the benefit of the holders of the Trust Certificates pursuant to: (i) an amended and restated Master Declaration of Trust (the "**Master Declaration of Trust**") dated 18 July 2025 and made between the Trustee, the Government of the Emirate of Sharjah acting through the Sharjah Finance Department (the "**Government**") and Deutsche Trustee Company Limited (the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**") having the details set out in the applicable Final Terms.

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

Payments relating to the Trust Certificates will be made pursuant to an amended and restated agency agreement dated 18 July 2025 (the "**Agency Agreement**") made between the Trustee, the Delegate, the Government, Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**"), which expression shall include any successor principal paying agent and, together with the U.S. Paying Agent and with any further or other paying agents appointed from time to time in respect of the Trust Certificates, the "**Paying Agents**"), transfer agent (the "**Transfer Agent**", which expression shall include the U.S. Transfer Agent, and together with the Registrar, the "**Transfer Agents**", which expression shall include any successor transfer agent) and FX agent (the "**FX Agent**", which expression shall include any successor FX agent), Deutsche Bank Trust Company Americas as paying agent and transfer agent (the "**U.S. Paying Agent**" and "**U.S. Transfer Agent**", respectively, which expressions shall include any successor U.S. paying agent and U.S. transfer agent, as applicable) and as registrar (the "**U.S. Registrar**", which expression shall include any successor U.S. registrar), in each case, in respect of the Trust Certificates accepted into DTC's book-entry settlement system and Deutsche Bank Luxembourg, S.A. as registrar (in such capacity together with the U.S. Registrar, each a "**Registrar**", as the case may be, which expression shall include any successor registrar). The Principal Paying Agent, the Paying Agents, the Transfer Agents and the Registrars are together referred to in these Conditions as the "**Agents**".

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

- (a) an amended and restated master purchase agreement between the Trustee (in its capacity as purchaser), the Government (in its capacity as seller) and the Delegate dated 18 July 2025 (the "**Master Purchase Agreement**");
 - (b) the supplemental purchase agreement (the "**Supplemental Purchase Agreement**" and, together with the Master Purchase Agreement, the "**Purchase Agreement**") having the details set out in the applicable Final Terms;
 - (c) an amended and restated master lease agreement between the Trustee (in such capacity as lessor), the Government (in its capacity as lessee) and the Delegate dated 18 July 2025 (the "**Master Lease Agreement**");
 - (d) the supplemental lease agreement (the "**Supplemental Lease Agreement**" and, together with the Master Lease Agreement, the "**Lease Agreement**") having the details set out in the applicable Final Terms;
 - (e) an amended and restated purchase undertaking executed by the Government (in its capacity as obligor) as a deed dated 18 July 2025 (the "**Purchase Undertaking**"), containing the form of sale agreement (the "**Sale Agreement**") to be executed by the Government (in its capacity as purchaser) and the Trustee (in its capacity as seller) on the Scheduled Dissolution Date, the Dissolution Event Redemption Date, the Certificateholder Put Right Date or the Tangibility Event Put Right Date, as the case may be (each such expression having the meaning given to it in the Purchase Undertaking);
 - (f) an amended and restated sale and substitution undertaking executed by the Trustee as a deed dated 18 July 2025 (the "**Sale and Substitution Undertaking**") containing the form of sale agreement (the "**Sale Agreement**") to be executed by the Trustee (in its capacity as seller) and the Government (in its capacity as purchaser) on the Tax Dissolution Date, the Clean Up Call Right Dissolution Date, the Optional Dissolution Date, the Cancellation Date or the Substitution Date, as the case may be (each such expression having the meaning given to it in the Sale and Substitution Undertaking);
 - (g) an amended and restated servicing agency agreement between the Trustee (in its capacity as lessor), the Government (in its capacity as servicing agent, the "**Servicing Agent**") and the Delegate dated 18 July 2025 (the "**Servicing Agency Agreement**");
 - (h) an amended and restated master murabaha agreement between the Trustee (in such capacity as seller), the Government (in such capacity as buyer) and the Delegate dated 18 July 2025 (the "**Master Murabaha Agreement**"), together with the purchase order, the letter of offer and acceptance and all other offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series;
 - (i) a declaration of commingling of assets entered into by the Trustee as a deed pursuant to the Declaration of Trust;
 - (j) the Declaration of Trust;
 - (k) the Agency Agreement; and
 - (l) the applicable Final Terms,
- (a) to (k) together being the "**Transaction Documents**".

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents.

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

1. **Interpretation**

1.1 **Definitions**

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

"Accrual Period" has the meaning given in Condition 7.2 (*Determination of Periodic Distribution Amount*);

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

"Aggregation Agent" shall have the meaning given to it in Condition 19(a) (*Appointment*);

"Business Day" means a day which is:

- (a) a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) and settle payments in the Specified Currency in the Additional Business Centre(s) or, if no Specified Currency is indicated, generally in each Additional Business Centre specified in the applicable Final Terms; and
- (b) either: (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the Additional Business Centre); or (ii) in relation to any sum payable in euro, a TARGET Settlement Day;

"Calculation Agent" shall have the meaning given to it in Condition 18(g) (*Claims Valuation*);

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

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

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

"Certificateholder Put Right" means the right exercisable by the Trustee at the request of Certificateholder pursuant to Condition 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*);

"Certificateholder Put Right Date" means the date on which the relevant Trust Certificates are to be redeemed in accordance with Condition 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*), as specified in the relevant Exercise Notice, **provided that** such date is a Periodic Distribution Date, unless otherwise specified in the applicable Final Terms;

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

"Clean Up Call Right Dissolution Amount" has the meaning given to it in Condition 10.7 (*Dissolution at the Option of the Government (Clean Up Call Right)*);

"Clean Up Call Right" means the right exercisable by the Trustee at the request of the Government pursuant to Condition 10.7 (*Dissolution at the Option of the Government (Clean Up Call Right)*);

"Clean Up Call Right Dissolution Date" has the meaning given to it in Condition 10.7 (*Dissolution at the Option of the Government (Clean Up Call Right)*);

"Clearstream, Luxembourg" means Clearstream Banking S.A.;

"Day Count Fraction" has the meaning given to it in Condition 7.2 (*Determination of Periodic Distribution Amount*);

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

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

"Determination Period" has the meaning given in Condition 7.2 (*Determination of Periodic Distribution Amount*);

"Dispute" has the meaning given in Condition 25.2 (*Arbitration*);

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

- (a) the outstanding face amount of the relevant Trust Certificates; and
- (b) any due and unpaid Periodic Distribution Amounts of such Trust Certificates; or
- (c) such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms (and any other amount payable following a Total Loss Event pursuant to the Servicing Agency Agreement);

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

"Dissolution Event" has the meaning given to it in Condition 14 (*Dissolution Events*);

"Dissolution Event Amount" has the meaning given to it in Condition 10.8 (*Dissolution following a Dissolution Event*);

"Dissolution Event Redemption Date" has the meaning given to it in Condition 14 (*Dissolution Events*);

"Dissolution Notice" has the meaning given to it in Condition 14 (*Dissolution Events*);

"DTC" means The Depository Trust Company;

"Euroclear" means Euroclear Bank SA/NV;

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

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

"Extraordinary Resolution" has the meaning given in Condition 18(a)(vii) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*);

"Final Dissolution Amount" shall have the meaning given to it in Condition 10.1 (*Scheduled Dissolution*);

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

- (a) moneys borrowed;
- (b) any amount drawn on any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, trust certificates, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would be treated as a finance or capital lease in accordance with the accounting standards, policies and procedures published from time to time by the International Accounting Standards Committee or any successor;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any *Shari'a*-compliant financing, forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of either a borrowing or a drawing under a credit facility;
- (g) to the extent not otherwise included in this definition, the amount of any liability in respect of any repurchase or put option arrangement entered into in connection with any Securitisation;
- (h) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) (inclusive) above;

"Full Reinstatement Value" has the meaning given to it in the Servicing Agency Agreement;

"Global Trust Certificate" means an Unrestricted Global Trust Certificate and/or a Restricted Global Trust Certificate, as the context may require;

"Government Event" has the meaning given to it in Condition 14 (*Dissolution Events*);

"Ijara Percentage" means the percentage specified hereon which, except when Trust Certificates are issued pursuant to Condition 23 (*Further Issues*), shall be no less than 55 per cent.;

"Insurance Notice Event" means the delivery of a notice to the Trustee and the Delegate by the Government (acting in its capacity as Servicing Agent) pursuant to clause 5.1.4 of the Servicing Agency Agreement;

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

"LCIA" means the London Court of International Arbitration;

"Lease" has the meaning given to it in the Lease Agreement;

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

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

"Loss Shortfall Amount" has the meaning given to it in the Servicing Agency Agreement;

"Members" has the meaning given to it in Condition 20(d) (*Certification*);

"Multiple Series Single Limb Extraordinary Resolution" has the meaning given in Condition 18(c)(ii) (*Multiple Series Aggregation – Single limb voting*);

"Multiple Series Single Limb Written Resolution" has the meaning given in Condition 18(c)(iii) (*Multiple Series Aggregation – Single limb voting*);

"Multiple Series Two Limb Extraordinary Resolution" has the meaning given in Condition 18(c)(ii) (*Multiple Series Aggregation – Single limb voting*);

"Multiple Series Two Limb Written Resolution" has the meaning given in Condition 18(c)(iii) (*Multiple Series Aggregation – Single limb voting*);

"Murabaha Percentage" means the percentage specified hereon which, except when Trust Certificates are issued pursuant to Condition 23 (*Further Issues*), shall be no more than 45 per cent.;

"nominee" shall have the meaning given to it in Condition 2.1 (*Form and Denomination*);

"Optional Dissolution Amount (Call)" has the meaning given to it in Condition 10.3 (*Dissolution at the Option of the Government (Optional Dissolution Call Right)*);

"Optional Dissolution Amount (Put)" has the meaning given to it in Condition 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*);

"Optional Dissolution Call Right" means the right exercisable by the Trustee at the request of the Government pursuant to Condition 10.3 (*Dissolution at the Option of the Government (Optional Dissolution Call Right)*);

"Optional Dissolution Date" means the date on which Trust Certificates are to be redeemed in accordance with Condition 10.3 (*Dissolution at the Option of the Government (Optional Dissolution Call Right)*), as specified in the relevant Exercise Notice;

"Partial Loss Dissolution Event" means, in relation to any Series, the termination of the Lease on the 61st day after the Partial Loss Event Date as a result of either: (a) the delivery by the Government of a Partial Loss Termination Notice to the Trustee within 30 days after the Partial Loss Event Date in accordance with the terms of the Lease Agreement; or (b) the Lease Assets have not been replaced within 60 days after the Partial Loss Event Date in accordance with the terms of the Servicing Agency Agreement;

"Partial Loss Event" means the partial impairment of one or more Lease Assets in a manner that substantially deprives the Lessee from the benefits expected from the whole of the Lease Assets, as determined by the Lessee and the occurrence of which (a) has been certified in writing by a recognised independent industry expert; and (b) does not constitute a Total Loss Event;

"Partial Loss Event Date" has the meaning given to it in the Lease Agreement;

"Partial Loss Termination Notice" has the meaning given to it in the Lease Agreement;

"Payment Business Day" means:

- (a) a day on which banks in the relevant place of surrender (as required) of the definitive Trust Certificate are open for payment of registered securities and for dealings in foreign currencies; and
- (b) in the case of payment by transfer to an account:
 - (i) if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

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

"Periodic Distribution Amount" means, in relation to a Trust Certificate and a Return Accumulation Period, the amount of profit payable in respect of that Trust Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with Condition 7 (*Fixed Periodic Distribution Provisions*) plus, if applicable, an amount equal to the amount of profit which would have accrued (i) in the previous Return Accumulation Period; and (ii) from (and including) the previous Periodic Distribution Date to the replacement date of any Lease Asset(s) with Replacement Lease Asset(s) in accordance with the Servicing Agency Agreement, in each case, had a Total Loss Event not occurred in the previous Return Accumulation Period (and in which case such amount will be funded through the proceeds of Insurance and/or (if applicable) Loss Shortfall Amount);

"Periodic Distribution Date" means the first Periodic Distribution Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the applicable Final Terms;

"Permitted Security Interest" means:

- (a) any Security Interest upon property or assets incurred for the purpose of financing the acquisition or construction, improvement or repair of such property or asset or any renewal or extension of any such Security Interest, which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing;
- (b) any Security Interest existing on any property or asset at the time of its acquisition and any renewal or extension of any such Security Interest which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing;
- (c) any Security Interest in existence on 18 July 2025;
- (d) any Security Interest arising in the ordinary course of banking transactions and securing the Relevant Indebtedness of the Government maturing not more than one year after the date on which it is originally incurred;
- (e) any Security Interest arising by operation of law or which arose pursuant to any order of attachment, distraint or similar legal process arising in connection with court proceedings so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;
- (f) any Security Interest incurred for the purpose of financing all or part of the costs of the acquisition, construction, development, improvement, repair or expansion of any project (including costs such as escalation, interest during construction and financing and refinancing costs); **provided that** the property over which such Security Interest is granted consists solely of the property, assets or revenues of such project (including, without limitation, royalties and other similar payments accruing to the Emirate of Sharjah generated by the relevant project); and
- (g) any Security Interest arising in connection with the incurrence of Relevant Indebtedness as part of a Securitisation or any renewal or extension thereof;

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

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

"Profit Amount" has the meaning given to it in the Master Murabaha Agreement;

"Rate" means the rate or rates specified in the applicable Final Terms;

"Record Date" (a) means: (i) in respect of a Global Trust Certificate, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant Periodic Distribution Date or the relevant Dissolution Date, as the case may be; and (ii) in respect of Trust Certificates in definitive form, the date falling on the seventh day before the relevant Periodic Distribution Date or the Dissolution Date, as the case may be, and (b) in the case of meetings of Certificateholders (as provided in Condition 18 (*Meetings of Certificateholders; Written Resolutions*)), has the meaning given to it in Condition 18(a)(vi) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*);

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

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

"Relevant Date" means, in relation to any payment, the date on which the payment in question first becomes due or if the full amount payable has not been received in the principal financial centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which the full amount has been so received or (if earlier) the date seven days after that on which notice is duly given to Certificateholders in accordance with Condition 17 (*Notices*) that, upon further presentation or surrender, as applicable, of the Trust Certificate being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation or surrender, as applicable;

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

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

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

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

"Replacement Date" has the meaning given to it in the Servicing Agency Agreement;

"Replacement Lease Asset(s)" has the meaning given to it in the Servicing Agency Agreement;

"Required Amount" has the meaning given to it in the Servicing Agency Agreement;

"Reserved Matter" has the meaning given in Condition 18(e) (*Reserved Matters*);

"Restricted Global Trust Certificate" has the meaning given to it in the Master Declaration of Trust;

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

"Return Accumulation Period" means the period from (and including) a Periodic Distribution Date (or the Return Accumulation Commencement Date) to (but excluding) the next (or first) Periodic Distribution Date;

"Rules" has the meaning given in Condition 25.2 (*Arbitration*);

"Scheduled Dissolution Date" means the date on which Trust Certificates are to be redeemed in accordance with Condition 10.1 (*Scheduled Dissolution*);

"Securities Act" means the United States Securities Act of 1933;

"Securities Capable of Aggregation" has the meaning given in Condition 18(a)(x) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*);

"Securitisation" means any securitisation (*Shari'a*-compliant or otherwise) of existing or future assets and/or revenues, provided that: (a) any Security Interest given by the Government in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (b) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment of any other liability; and (c) there is no other recourse to the Government in respect of any default by any person under the securitisation;

"Security Interest" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind;

"Service Charge Amounts" has the meaning given to it in the Servicing Agency Agreement;

"Single Series Extraordinary Resolution" has the meaning given in Condition 18(b)(ii) (*Modification of this Series of Trust Certificates only*);

"Single Series Written Resolution" has the meaning given in Condition 18(b)(iii) (*Modification of this Series of Trust Certificates only*);

"Specified Currency" means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Trust Certificates are denominated;

"Stock Exchange" means, in relation to the Trust Certificates, the stock exchange or exchanges (if any) on which the Trust Certificates are for the time being quoted or listed;

"T2" means the real time gross settlement system operated by the Eurosystem or any successor system;

"Tangibility Event Put Right" means the right exercisable by a Certificateholder pursuant to Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*);

"Tangibility Event Put Right Exercise Price" has the meaning given to it in the Purchase Undertaking;

"Tangibility Event Dissolution Amount" has the meaning given to it in Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*);

"TARGET Settlement Day" means any day on which T2 is open for the settlement of payments in euro;

"Taxes" means any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction;

"Tax Dissolution Amount" has the meaning given to it in Condition 10.2 (*Early Dissolution for Tax Reasons*);

"Tax Dissolution Date" has the meaning given to it in Condition 10.2 (*Early Dissolution for Tax Reasons*);

"Tax Event" has the meaning given to it in Condition 10.2 (*Early Dissolution for Tax Reasons*);

"Total Loss Dissolution Amount" has the meaning given to it in Condition 10.4 (*Dissolution following a Total Loss Event*);

"Total Loss Dissolution Date" has the meaning given to it in Condition 10.4 (*Dissolution following a Total Loss Event*);

"Total Loss Event" has the meaning given to it in Condition 10.4 (*Dissolution following a Total Loss Event*);

"Transaction Account" means the non-interest bearing account in the Trustee's name maintained with the Principal Paying Agent, details of which are specified in the applicable Final Terms and which shall be held in the United Kingdom;

"Trust Assets" means the assets, rights and/or cash described in Condition 5.1 (*Trust Assets*);

"Uniformly Applicable" has the meaning given in Condition 18(c)(v) (*Multiple Series Aggregation – Single limb voting*);

"Unrestricted Global Trust Certificate" has the meaning given to it in the Master Declaration of Trust; and

"Written Resolution" has the meaning given in Condition 18(a)(viii) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*).

1.2 **Interpretation**

In these Conditions:

- (a) any reference to face amount shall be deemed to include any Dissolution Amount and any other amount in the nature of face amounts payable pursuant to these Conditions;
- (b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Conditions 10 (*Capital Distributions of Trust*) and 12 (*Taxation*) and any other amount in the nature of a profit distribution payable pursuant to these Conditions;
- (c) references to Trust Certificates being "outstanding" shall be construed in accordance with the Master Declaration of Trust; and
- (d) any reference to a Transaction Document shall be construed as a reference to that Transaction Document as amended and/or supplemented up to and including the Issue Date.

2. **Form, Denomination and Title**

2.1 **Form and Denomination**

The Trust Certificates are issued in registered form in the Specified Denominations and, in the case of Trust Certificates in definitive form, are serially numbered.

Upon issue, the Trust Certificates will be represented by a Global Trust Certificate which will be deposited with, and registered in the name of, a nominee for DTC and/or a common depositary for Euroclear and Clearstream, Luxembourg.

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

For so long as the DTC or its nominee is the registered owner or holder of a Global Trust Certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Trust Certificates represented by such Global Trust Certificate for all purposes under the Master Declaration of Trust and the Agency Agreement and the Trust Certificates except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

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

References to DTC, Euroclear and Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2.2 ***Register***

Each Registrar will maintain a register (the "**Register**") of Certificateholders in respect of Trust Certificates in accordance with the provisions of the Agency Agreement. In the case of Trust Certificates in definitive form, a definitive Trust Certificate will be issued to each Certificateholder in respect of its registered holding of Trust Certificates.

2.3 ***Title***

The Trustee, the Delegate, the Government and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the Person in whose name any outstanding Trust Certificate is for the time being registered (as set out in the Register) as the holder of such Trust Certificate or of a particular face amount of the Trust Certificates for all purposes (whether or not such Trust Certificate or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Trustee, the Delegate, the Government and the Agents shall not be affected by any notice to the contrary.

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

3. **Transfers of Trust Certificates**

3.1 ***Transfers of beneficial interests in the Global Trust Certificate***

Transfers of beneficial interests in the Global Trust Certificate will be effected by DTC, Euroclear or Clearstream, Luxembourg (as applicable), and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. An interest in the Global Trust Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Trust Certificates in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg (as applicable) and in accordance with the terms and conditions specified in the Declaration of Trust and the Agency Agreement.

3.2 ***Transfers of interests in Unrestricted Global Trust Certificates***

Prior to expiry of the applicable distribution compliance period (as defined in Regulation S), transfers by the holder of, or of a beneficial interest in, an Unrestricted Global Trust Certificate to a transferee in the United States or who is a U.S. person will only be made:

- (a) upon receipt by the relevant Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Trust Certificate or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A; or

- (b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Government of such satisfactory evidence as the Government may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (a) above, such transferee may take delivery through a Legended Trust Certificate in global or definitive form. After expiry of the applicable Distribution Compliance Period: (A) beneficial interests in Unrestricted Global Trust Certificates registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC; and (B) such certification requirements will no longer apply to such transfers.

3.3 ***Transfers of interests in Legended Trust Certificates***

Transfers of Legended Trust Certificates or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through an Unrestricted Global Trust Certificate, upon receipt by the relevant Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of an Unrestricted Global Trust Certificate registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Trust Certificates being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (b) to a transferee who takes delivery of such interest through a Legended Trust Certificate where the transferee is a person whom the transferor reasonably believes is a QIB who is also a QP in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Government of such satisfactory evidence as the Government may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Trust Certificates, or upon specific request for removal of the Legend, the relevant Registrar shall deliver only Legended Trust Certificates or refuse to remove the Legend, as the case may be, unless there is delivered to the Government such satisfactory evidence as may reasonably be required by the Government, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

3.4 ***Exchanges and transfers of Trust Certificates generally***

Holders of interests in a Global Trust Certificate may exchange such interests for Trust Certificates in definitive form of the same type upon the occurrence of an Exchange Event (as defined in the Global Trust Certificate).

3.5 ***Definitions***

In this Condition, the following expressions shall have the following meanings:

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

"Legended Trust Certificate" means Trust Certificates (whether in definitive form or represented by a Global Trust Certificate) sold in private transactions to QIBs that are also QPs in accordance

with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a "**Legend**");

"**QIB**" means a "**qualified institutional buyer**" within the meaning of Rule 144A;

"**QP**" means a "**qualified purchaser**" as defined in Section 2(a)(51) of the Investment Company Act

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

"**Unrestricted Global Trust Certificate**" means a Global Trust Certificate representing Trust Certificates sold outside the United States in reliance on Regulation S;

"**Rule 144A**" means Rule 144A under the Securities Act; and

"**Restricted Global Trust Certificate**" means a Global Trust Certificate representing Trust Certificates sold in the United States or to QIBs that are also QPs.

3.6 ***Transfers of Trust Certificates in Definitive Form***

(a) *Transfer*

Subject to this Condition 3.2 and Conditions 3.7 (*Closed Periods*) and 3.8 (*Formalities Free of Charge*), a definitive Trust Certificate may be transferred in whole or in an amount equal to the Specified Denomination or any integral multiple thereof by depositing the definitive Trust Certificate, with the form of transfer on the back duly completed and signed, at the specified office of the relevant Registrar.

(b) *Delivery of new definitive Trust Certificates*

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

Where some but not all of the Trust Certificates in respect of which a definitive Trust Certificate is issued are to be transferred, a new definitive Trust Certificate in respect of the Trust Certificates not so transferred will, within five business days of receipt by the relevant Registrar of the original definitive Trust Certificate, be mailed by uninsured mail at the risk of the holder of the Trust Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

(c) *Regulations*

All transfers of definitive Trust Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Trust Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the relevant Registrar to any Certificateholder who requests one. Notwithstanding the above, the Trustee may from time to time agree with the relevant Registrar reasonable regulations to govern the transfer and registration of definitive Trust Certificates.

3.7 ***Closed periods***

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

3.8 ***Formalities free of charge***

Transfers of Trust Certificates on registration or exercise of an early dissolution right will be effected without charge by or on behalf of the Trustee, the relevant Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Trustee, the relevant Registrar and/or the Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

3.9 ***Regulations***

All transfers of definitive Trust Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Trust Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the relevant Registrar to any Certificateholder who requests one. Notwithstanding the above, the Trustee may from time to time agree with the relevant Registrar reasonable regulations to govern the transfer and registration of definitive Trust Certificates.

4. **Status and Limited Recourse**

4.1 ***Status***

Each Trust Certificate evidences an undivided ownership interest in the Trust Assets subject to the terms of the Declaration of Trust and these Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Trust Certificate ranks *pari passu*, without any preference or priority, with the other Trust Certificates.

The payment obligations of the Government (in any capacity) to the Trustee under the Transaction Documents to which it is a party in respect of each Series of Trust Certificates are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of the Government and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in the Purchase Undertaking) at all times rank at least pari passu with all other present and future unsecured and unsubordinated obligations of the Government from time to time outstanding, provided, further, that the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due under the Transaction Documents to which it is a party and vice versa.

4.2 ***Negative Pledge***

The Government has agreed in the Purchase Undertaking that for so long as any Trust Certificate remains outstanding, it will not create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future assets or revenues to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of Relevant Indebtedness or a Relevant Sukuk Obligation, of any Person, without:

- (a) at the same time or prior thereto securing equally and rateably therewith its obligations under the Transaction Documents to which it is, in whatever capacity, a party; or
- (b) providing such other Security Interest for the obligations of the Government under the Transaction Documents to which it is a party as may be approved by an Extraordinary Resolution of the Certificateholders.

4.3 ***Limited Recourse***

The proceeds of the Trust Assets are the sole source of payments on the Trust Certificates. Save as provided in the next sentence, the Trust Certificates do not represent an interest in or obligation of any of the Trustee, the Government, the Delegate, the Agents or any of their respective affiliates. Accordingly, Certificateholders, by subscribing for or acquiring the Trust Certificates, acknowledge that:

- (a) they will not have recourse to any assets of the Trustee, the Delegate, the Agents, or any of their respective affiliates in respect of any shortfall in the expected amounts from the

Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished; and

- (b) any recourse to the assets of the Government shall be limited to the Trust Assets, which include obligations of the Government under the Transaction Documents.

The Government is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders), and the Delegate (for and on behalf of the Trustee) will have direct recourse against the Government to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Trust Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Trust Certificates, subject to Condition 15 (*Enforcement and Exercise of Rights*), no holder of Trust Certificates will have any claim against the Trustee, the Government (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents or any of their respective affiliates or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Trust Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding-up or receivership of the Trustee, the Government (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

4.4 ***Agreement of Certificateholders***

By subscribing for or acquiring the Trust Certificates, each Certificateholder acknowledges and agrees that notwithstanding anything to the contrary contained herein or in any other Transaction Document:

- (a) no payment of any amount whatsoever shall be made by any of the Trustee, the Delegate (acting in the name and on behalf of the Trustee) or any of their respective agents on their behalf except to the extent funds are available therefor from the Trust Assets;
- (b) no recourse shall be had for the payment of any amount owing hereunder or under any relevant Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee (and/or its directors, officers or administrators), the Government (and/or its officers) (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, any Agent or any of their respective agents or affiliates to the extent the Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, the Government, any Agents and their respective agents or affiliates shall be extinguished;
- (c) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, it will not institute against, or join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law;
- (d) no recourse under any obligation, covenant or agreement contained in any Transaction Document shall be had against any officer, agent or director of the Trustee, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise. The obligations of the Trustee under the Transaction Documents to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the officers, agents or directors of the Trustee save in the case of their wilful default or actual fraud. Reference in these Conditions to wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and
- (e) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in

respect of such Trust Certificate. No collateral is or will be given for the payment obligations by the Trustee under the Trust Certificates.

5. **The Trust**

5.1 ***Trust Assets***

The Trust Assets will comprise:

- (a) the cash proceeds of the Trust Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) the rights, title and interest, present and future, of the Trustee in, to and under the Lease Asset(s);
- (c) the rights, title, interest and benefit, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by the Government to the Trustee and the Delegate pursuant to the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to clause 15.1 of the Master Declaration of Trust);
- (d) all monies standing to the credit of the Transaction Account from time to time; and
- (e) all proceeds of the foregoing.

5.2 ***Application of Proceeds from the Trust Assets***

Pursuant to the Declaration of Trust, the Trustee holds the Trust Assets on trust absolutely for and on behalf of the Certificateholders. On each Periodic Distribution Date, or on any Dissolution Date, the Principal Paying Agent, notwithstanding any instructions to the contrary from the Trustee, will apply the monies standing to the credit of the Transaction Account in the following order of priority:

- (a) *first*, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate;
- (b) *secondly*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;
- (c) *thirdly*, only if such payment is made on any Dissolution Date, to the Principal Paying Agent in or towards payment *pari passu* and rateably of the Dissolution Amount;
- (d) *fourthly*, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the relevant Series are redeemed in full, to the Servicing Agent in or towards payment of all outstanding Service Charge Amounts (if any); and
- (e) *fifthly*, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the relevant Series are redeemed in full, to the Government in or towards payment of the residual amount (if any) in consideration for the performance of its obligations under the Servicing Agency Agreement.

6. **Covenants**

6.1 Subject to Condition 6.2 below, the Trustee covenants that, for so long as any Trust Certificate is outstanding, it will not (without the prior written consent of the Delegate):

- (a) incur any indebtedness, in respect of borrowed money whatsoever (including any Islamic financing), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) or any other certificates except, in all cases, as contemplated in the Transaction Documents;

- (b) save as permitted by the Transaction Documents, grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law);
- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets, except pursuant to the Transaction Documents;
- (d) use the proceeds of the issue of the Trust Certificates for any purpose other than as stated in the Transaction Documents;
- (e) amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its memorandum and articles of association and by-laws (other than in relation to any increase in the aggregate face amount of the Programme);
- (f) act as trustee in respect of any trust (other than pursuant to the Declaration of Trust);
- (g) have any subsidiaries or employees;
- (h) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders (excluding any consideration payable by the Trustee (acting in any capacity) to the Government (acting in any capacity) as contemplated by the Transaction Documents or these Conditions);
- (i) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up, liquidation or dissolution or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:
 - (i) any such contract, transaction, amendment, obligation or liability in relation to its operations that is of a routine or administrative nature;
 - (ii) as provided for or permitted in the Transaction Documents;
 - (iii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
 - (iv) such other matters which are incidental thereto.

6.2 Nothing in sub-paragraph (a) of Condition 6.1 above, shall prevent the Trustee from issuing (or entering into any transaction for the purpose of issuing or entering into any contract in relation thereto or performing any of its obligations thereunder) any sukuk, certificates or other securities intended to be issued in compliance with the principles of *Shari'a* **provided that:** (a) such securities are, or are intended to be quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; (b) in respect of such securities, the obligations of the Government to the Trustee shall rank at least *pari passu* with the obligations of the Government to the Trustee in respect of the Trust Certificates; and (c) the obligations of the Trustee in respect of such securities shall rank *pari passu* with the Trust Certificates.

7. Fixed Periodic Distribution Provisions

7.1 Periodic Distribution Amount

Subject to Conditions 5.2 and 8, a Periodic Distribution Amount for the Trust Certificates will be payable in respect of the Trust Certificates and will be distributable by the Trustee to the Certificateholders, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account pursuant to the terms of the Servicing Agency Agreement and the other Transaction Documents, in accordance with these Conditions.

7.2 Determination of Periodic Distribution Amount

Except as provided in the applicable Final Terms or where a Total Loss Event has occurred in the current or previous Return Accumulation Period, the Periodic Distribution Amount payable in respect of each Trust Certificate in definitive form for any Return Accumulation Period shall be the Fixed Amount. Payments of Periodic Distribution Amount in respect of Trust Certificates in definitive form on any Periodic Distribution Date may, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Trust Certificates in definitive form where a Fixed Amount or Broken Amount is specified in the applicable Final Terms, the Periodic Distribution Amount shall be calculated in respect of any period by applying the Rate applicable to the relevant Return Accumulation Period to:

- (a) in the case of Trust Certificates which are represented by a Global Trust Certificate, the aggregate outstanding face amount of the Trust Certificates represented by such Global Trust Certificate; or
- (b) in the case of Trust Certificates in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Trust Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Trust Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions:

"Day Count Fraction" means, in respect of the calculation of a Periodic Distribution Amount in accordance with these Conditions:

- (a) if **"Actual/Actual"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Return Accumulation Period falling in a non-leap year divided by 365);
- (b) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365;
- (c) if **"Actual/365 (Sterling)"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;
- (d) if **"Actual/360"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 360;
- (e) if **"30/360"** is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the Return Accumulation 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 Return Accumulation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (f) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
- (i) in the case of Trust Certificates where the number of days in the relevant period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accumulation Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Trust Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Return Accumulation Commencement Date or the final Periodic Distribution Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

7.3 **Payment in Arrear**

Subject to Condition 7.4 (*Cessation of Profit Entitlement*), Condition 10.2 (*Early Dissolution for Tax Reasons*) to 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) and Condition 14 (*Dissolution Events*), and unless otherwise specified in the applicable Final Terms, each Periodic Distribution Amount will be paid in respect of the relevant Trust

Certificates in arrear on each Periodic Distribution Date in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

7.4 **Cessation of Profit Entitlement**

No further amounts will be payable on any Trust Certificate from and including:

- (a) the Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the Dissolution Amount (provided that a Sale Agreement has not been entered into in accordance with the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be) in which case Periodic Distribution Amounts will continue to accrue in respect of the Trust Certificates in the manner provided in this Condition 7.4 to the earlier of: (i) the Relevant Date; or (ii) the date on which a sale agreement is executed pursuant to the Sale and Substitution Undertaking or the Purchase Undertaking, as the case may be; and
- (b) the date on which a Total Loss Event occurs until and excluding the Replacement Date and no Periodic Distribution Amounts shall accrue under the Trust Certificates in respect of the period from and including the date of the Total Loss Event until and excluding the Replacement Date. Provided that, following the occurrence of a Total Loss Event, the relevant Lease Asset(s) have been replaced in accordance with the term of the Servicing Agency Agreement and a Lease Asset(s) Amendment Agreement has been entered into, the Periodic Distribution Amounts payable under the Trust Certificates on the first Periodic Distribution Date following the date of the Lease Asset(s) Amendment Agreement will be increased to include an additional amount of profit equal to the Advance Rental Payment specified in the relevant Lease Asset(s) Amendment Agreement.

8. **Payment**

Payment of Dissolution Amounts and Periodic Distribution Amounts will be made by transfer to the registered account (as defined below) of a Certificateholder. Payments of Dissolution Amounts (where all of the Trust Certificates of the relevant Series are to be redeemed in full) will only be made against surrender of the relevant Trust Certificate (or the Certificate representing such Trust Certificate) at the specified office of the relevant Registrar or the Principal Paying Agent. Dissolution Amounts and Periodic Distribution Amounts will be paid to the Certificateholder shown on the Register at the close of business on the relevant Record Date.

For the purposes of this Condition 8, a Certificateholder's "registered account" means the account in the Specified Currency maintained by or on behalf of such Certificateholder with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date.

All such payments will be made subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions described in Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Certificateholders in respect of such payments.

Payment instructions will be initiated on the Payment Business Day preceding the due date for payment or, in the case of a payment of face amounts (where all of the Trust Certificates of the relevant Series are to be redeemed in full) if later, on the Payment Business Day on which the relevant Trust Certificate is surrendered (where such surrender is required) at the specified office of the relevant Registrar or the Principal Paying Agent.

Certificateholders will not be entitled to any payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Certificateholder is late in surrendering its Trust Certificate (if required to do so in accordance with this Condition 8).

All amounts payable to DTC or its nominee as registered holder of a Restricted Global Trust Certificate in respect of Trust Certificates denominated in a Specified Currency other than U.S. Dollar shall be paid by transfer by the Principal Paying Agent to an account in the relevant Specified Currency of the FX Agent on behalf of DTC or its nominee for conversion into and payment in U.S. Dollars unless the participant in DTC with an interest in the Trust Certificates

has elected to receive any part of such payment in that Specified Currency, in the manner specified in the Agency Agreement and in accordance with the rules and procedures for the time being of DTC.

If the amount of any Dissolution Amount or Periodic Distribution Amount is not paid in full when due, the relevant Registrar will annotate the Register with a record of the amount of such Dissolution Amount or Periodic Distribution Amount in fact paid.

9. **Agents**

9.1 ***Agents of Trustee***

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

9.2 ***Specified Offices***

The names of the initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the Final Terms attached to or endorsed on this Trust Certificate. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents **provided, however, that:**

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be a Registrar; and
- (c) so long as any Trust Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent, Registrar and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system; and
- (d) so long as any of the Global Trust Certificates payable in a Specified Currency other than U.S. Dollars are held through DTC or its nominee, there will at all times be a FX Agent.

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

10. **Capital Distributions of Trust**

10.1 ***Scheduled Dissolution***

Unless the Trust Certificates are redeemed, purchased and/or cancelled earlier, each Trust Certificate shall be redeemed on the Scheduled Dissolution Date at its Final Dissolution Amount, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Scheduled Dissolution Date (the "**Final Dissolution Amount**"). Upon payment in full of such amounts and the execution of the relevant Sale Agreement in accordance with the Purchase Undertaking, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

10.2 ***Early Dissolution for Tax Reasons***

If a Tax Event occurs, upon receipt of an Exercise Notice from the Government in accordance with the Sale and Substitution Undertaking, the Trust Certificates shall be redeemed by the Trustee in whole, but not in part, on any date (such date, the "**Tax Dissolution Date**") upon giving not less than 30 nor more than 60 days' notice to the Delegate and the Certificateholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable), at the Dissolution Amount (which, for the avoidance of doubt, shall include any accrued but unpaid Periodic Distribution Amounts) (the

"**Tax Dissolution Amount**"), where "**Tax Event**" means the determination by the Government that:

- (a) (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Prescription*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (excluding the Emirate of Sharjah) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series; and (2) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or
- (b) (1) the Government has or will become obliged to pay additional amounts pursuant to any Transaction Document to which it is a party as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (excluding the Emirate of Sharjah) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series; and (2) such obligation cannot be avoided by the Government taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which: (i) (in the case of (a) above) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Trust Certificates were then due; or (ii) (in the case of (b) above) the Government would be obliged to pay such additional amounts if a payment to the Trustee under the relevant Transaction Document was then due.

Prior to the publication of any notice of redemption pursuant to this Condition 10.2, the Trustee shall deliver to the Delegate: (i) a certificate signed by two directors of the Trustee (in the case of (a) above) or two Authorised Signatories of Sharjah Finance Department (acting on behalf of the Government) (in the case of (b) above) stating that the Trustee is entitled to effect such dissolution and redemption and setting forth a statement of facts showing that the conditions precedent in (a) or (b) above to the right of the Trustee so to dissolve have occurred; and (ii) an opinion of independent legal advisers of recognised international standing to the effect that the Trustee or, as the case may be, the Government has or will become obliged to pay such additional amounts as a result of such change or amendment. The Delegate shall be entitled to accept (without further investigation) any such certificate and opinion as sufficient evidence thereof without incurring any liability to any person in which event it shall be conclusive and binding on the Certificateholders. Upon the date specified for redemption in any such notice served under this Condition 10.2, the Trustee shall be bound to redeem the Trust Certificates at the Tax Dissolution Amount and, upon payment in full of such amounts to the Certificateholders and the execution of the relevant Sale Agreement in accordance with the Sale and Substitution Undertaking, the Trust will be dissolved, the Trust Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

10.3 ***Dissolution at the Option of the Government (Optional Dissolution Call Right)***

If the Optional Dissolution Call Right option is specified in the applicable Final Terms as being applicable, the Government may in its sole discretion deliver to the Trustee a duly completed Exercise Notice, subject to and in accordance with the provisions of the Sale and Substitution Undertaking and, on receipt of such notice, the Trustee shall redeem the Trust Certificates in whole but not in part on any Optional Dissolution Date at the relevant Optional Dissolution Amount (Call), including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Optional Dissolution Date (the "**Optional Dissolution Amount (Call)**") on the Trustee giving not less than 30 days' nor more than 60 days' notice to the Delegate and the Certificateholders (or such other notice period as may be specified hereon) in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable and shall oblige the Trustee to redeem the Trust Certificates on the relevant Optional Dissolution Date).

10.4 ***Dissolution following a Total Loss Event***

The Trustee shall, upon receipt of notice from the Government or otherwise becoming aware of the occurrence of a Total Loss Event (as defined below) and unless the Lease Asset(s) is/are

replaced as provided in the Servicing Agency Agreement by no later than the 60th day after the occurrence of a Total Loss Event, redeem the Trust Certificates in whole, but not in part, and dissolve the Trust by no later than the close of business in London on the 61st day after the occurrence of the Total Loss Event (or, if such date is not a Payment Business Day, on the immediately following Payment Business Day) (the "**Total Loss Dissolution Date**"), following notification thereof to the Delegate and the Certificateholders in accordance with Condition 17 (*Notices*). The Trust Certificates will be redeemed at the Dissolution Amount (which for the avoidance of doubt, shall include all accrued but unpaid Periodic Distribution Amounts plus an amount equal to the Periodic Distribution Amounts, which would have accrued had the relevant Total Loss Event not occurred, from and including the date on which such Total Loss Event, to but excluding the Total Loss Dissolution Date) (the "**Total Loss Dissolution Amount**") using the proceeds of: (a) the Insurances payable in respect of the Total Loss Event, which are required to be paid into the Transaction Account by no later than the 60th day after the occurrence of the Total Loss Event; and (b) if required, the Loss Shortfall Amount which is required to be paid into the Transaction Account by no later than the close of business in London on the 61st day after the occurrence of the Total Loss Event.

Upon payment in full of the Total Loss Dissolution Amount to the Certificateholders, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

A "**Total Loss Event**" is, in relation to a Series, (a) the total loss or destruction of, or damage to the whole of, the Lease Asset(s) of that Series or any event or occurrence that renders the whole of the Lease Asset(s) permanently unfit for any economic use and the repair or remedial work in respect thereof is wholly uneconomical; or (b) the occurrence of any nationalisation, expropriation, requisition, confiscation, attachment or such other analogous event.

Upon the occurrence of: (i) a Total Loss Event; or (ii) a Partial Loss Event and the ratio of: (x) the Value of the Lease Assets of that Series (which for this purpose shall exclude any Impaired Lease Asset(s)); to (y) the aggregate of the Value of the Lease Assets of that Series (which for this purpose shall include the Impaired Lease Assets) and, if applicable for such Series, the aggregate amounts of Deferred Sale Price then outstanding applicable to such Series at such time falls below 33 per cent., the Servicing Agent shall, promptly, notify the Trustee to, and upon such notification, the Trustee shall promptly deliver a notice to the Certificateholders (the "**Trading and Delisting Notice**"):

- (a) of the occurrence of an event described in (i) or (ii) above; and
- (b) that from the date of the Trading and Delisting Notice and until any further notice from the Trustee, in consultation with the *Shari'a* Adviser, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); and
- (c) that, on the date of such Trading and Delisting Notice an application will be made for the Trust Certificates of the relevant Series to be delisted from any stock exchange (if any) on which such Trust Certificates have been admitted to listing or if such date is not a business day, on the next following business day ("**business day**" being, for this purpose, a day on which the stock exchange on which the Trust Certificates are admitted to listing is open for business).

Following the replacement of the relevant Impaired Lease Assets or the Lease Assets (as the case may be) as provided in the Servicing Agency Agreement the Trustee shall promptly, following receipt of such notice from the Servicing Agent and in consultation with the *Shari'a* Adviser, notify Certificateholders in accordance with Condition 18 (*Notices*) that: (1) from the date of that notice the Trust Certificates may be traded at any price; and (2) the Trust Certificates of the relevant Series shall be re-listed, as soon as reasonably practicable, on the stock exchange (if any) on which the Trust Certificates had previously been admitted to listing.

For the avoidance of doubt, neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'a* principles of debt trading (such as the

principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis) nor shall it be liable to any Certificateholder or any other persons in respect thereof.

10.5 ***Dissolution at the Option of the Certificateholders (Certificateholder Put Right)***

If Certificateholder Put Right is specified in the applicable Final Terms as being applicable, upon the holder of any Trust Certificate giving to the Trustee in accordance with Condition 17 (*Notices*) (with a copy to the Delegate) not less than 15 days' nor more than 30 days' notice (or such other notice period as may be specified hereon), the Trustee shall, upon the expiry of such notice, redeem such Trust Certificate on the Certificateholder Put Right Date and at the Optional Dissolution Amount (Put) specified in, or determined in the manner specified in, the applicable Final Terms, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the relevant Certificateholder Put Right Date (the "**Optional Dissolution Amount (Put)**"). For the purposes thereof, the Trustee (or the Delegate (on behalf of the Trustee)) shall deliver to the Government a duly completed Exercise Notice (in the case of delivery by the Trustee, with a copy to the Delegate), subject to and in accordance with the provisions of the Purchase Undertaking. Trust Certificates may be redeemed or, as the case may be, purchased under this Condition 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of any Trust Certificate pursuant to this Condition 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) the holder thereof must, if the Trust Certificate is in definitive form and held outside DTC, Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the relevant Registrar at any time during normal business hours of such Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) set out in the Agency Agreement and obtainable from any specified office of the relevant Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) and the aggregate face amount of such Trust Certificates to be redeemed and, if less than the full aggregate face amount of the Trust Certificates in definitive form so surrendered is to be redeemed, an address to which a new Trust Certificate in definitive form in respect of the balance of such Trust Certificates in definitive form is to be sent subject to and in accordance with the provisions of Condition 3 (*Transfers of Trust Certificates*).

If the relevant Trust Certificate is represented by a Global Trust Certificate and held through DTC, Euroclear and/or Clearstream, Luxembourg (as applicable), to exercise the right to require redemption thereof the holder of such Trust Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of DTC, Euroclear and/or Clearstream, Luxembourg (as applicable) (which may include notice being given on such Certificateholder's instruction by DTC, Euroclear and/or Clearstream, Luxembourg (as applicable) or any depositary or custodian (as applicable) for them to the Principal Paying Agent by electronic means) in a form acceptable to DTC, Euroclear and/or Clearstream, Luxembourg (as applicable) from time to time and at the same time present or procure the presentation of the relevant Global Trust Certificate to the Principal Paying Agent for notation accordingly.

No Put Notice or other notice given in accordance with the standard procedures of DTC, Euroclear and/or Clearstream, Luxembourg (as applicable) given by a holder of any Trust Certificate pursuant to this Condition 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) may be withdrawn without the prior consent of the Trustee except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Trust Certificates are to be redeemed pursuant to Condition 14 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 10.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*).

10.6 ***Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)***

If a Tangibility Event occurs, upon receipt of a Tangibility Event Trustee Notice from the Government in accordance with the Servicing Agency Agreement, the Trustee shall promptly give

notice to the Certificateholders (a "**Tangibility Event Notice**") in accordance with Condition 17 (*Notices*) specifying:

- (a) that a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;
- (b) that as determined in consultation with the *Shari'a* Adviser, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);
- (c) that on the date falling 15 days following the Tangibility Event Put Right Date, the Trust Certificates will be delisted from any stock exchange (if any) on which the Trust Certificates have been admitted to listing or, if such date is not a business day, the next following business day ("**business day**" being, for this purpose, a day on which the stock exchange on which the Trust Certificates are admitted to listing is open for business); and
- (d) the Tangibility Event Put Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Trust Certificates.

Upon receipt of the Tangibility Event Notice, the Holder of any Trust Certificates may exercise its right within the Tangibility Event Put Period to require the redemption of all or any of its Trust Certificates.

If any Certificateholder exercises its right to redeem its Trust Certificates in accordance with this Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Certificateholder Put Right)*), the Trustee shall redeem such Trust Certificates on the Tangibility Event Put Right Date at the Dissolution Amount (which, for the avoidance of doubt, shall include any accrued but unpaid Periodic Distribution Amounts) (the "**Tangibility Event Dissolution Amount**").

To exercise the right to require redemption of any Trust Certificate pursuant to this Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) the holder thereof must, if the Trust Certificate is in definitive form and held outside DTC, Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the relevant Registrar at any time during normal business hours of such Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) set out in the Agency Agreement and obtainable from any specified office of the relevant Registrar (a "**Tangibility Event Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) and the aggregate face amount of such Trust Certificates to be redeemed and, if less than the full aggregate face amount of the Trust Certificates in definitive form so surrendered is to be redeemed, an address to which a new Trust Certificate in definitive form in respect of the balance of such Trust Certificates in definitive form is to be sent subject to and in accordance with the provisions of Condition 3 (*Transfers of Trust Certificates*).

If the relevant Trust Certificate is represented by a Global Trust Certificate and held through DTC, Euroclear and/or Clearstream, Luxembourg, to exercise the right to require redemption thereof the holder of such Trust Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of DTC, Euroclear and/or Clearstream, Luxembourg (as applicable) (which may include notice being given on such Certificateholder's instruction by DTC, Euroclear and/or Clearstream, Luxembourg or any depositary or custodian (as applicable) for them to the Principal Paying Agent by electronic means) in a form acceptable to DTC, Euroclear and/or Clearstream, Luxembourg from time to time (as applicable) and at the same time present or procure the presentation of the relevant Global Trust Certificate to the Principal Paying Agent for notation accordingly.

No Tangibility Event Put Notice or other notice given in accordance with the standard procedures of DTC, Euroclear and/or Clearstream, Luxembourg (as applicable) given by a holder of any Trust Certificate pursuant to this Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) may be withdrawn without the prior consent of the Trustee except

where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Trust Certificates are to be redeemed pursuant to Condition 14 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*).

To the extent that there are any Trust Certificates in respect of which Tangibility Event Put Notices or other notices in accordance with the standard procedures of DTC, Euroclear and/or Clearstream, Luxembourg (as applicable) have not been delivered following the expiry of the Tangibility Event Put Period, such Trust Certificates shall be delisted from any stock exchange (if any) on which the Certificates have been listed on a date falling 15 days following the Tangibility Event Put Right Date.

If all (and not some only) of the Trust Certificates are to be redeemed on any Tangibility Event Put Right Date in accordance with this Condition 10.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*), upon payment in full of the Tangibility Event Dissolution Amount to the Certificateholders and signing the relevant Sale Agreement, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

In these Conditions:

"Shari'a Adviser" has the meaning given to it in the Servicing Agency Agreement;

"Tangible Asset Ratio" has the meaning given to it in the Servicing Agency Agreement;

a **"Tangibility Event"** shall occur if, at any time, the Tangible Asset Ratio, other than as a result of the occurrence of a Total Loss Event or a Partial Loss Event, falls to less than 33 per cent.;

"Tangibility Event Put Period" shall be the period of 30 days commencing on the date that is the 60th day after a Tangibility Event Notice is given;

"Tangibility Event Put Right Date" shall be the first Business Day falling 75 days following the expiry of the Tangibility Event Put Period; and

"Tangibility Event Trustee Notice" has the meaning given to it in the Servicing Agency Agreement.

For the avoidance of doubt, neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis) referred to in (b) above nor shall it be liable to any Certificateholder or any other person in respect thereof.

10.7 ***Dissolution at the Option of the Government (Clean Up Call Right)***

If Clean Up Call Right is specified in the applicable Final Terms as being applicable and 75 per cent. or more of the aggregate face amount of the Trust Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to this Condition 10 (*Capital Distributions of Trust*) or Condition 11 (*Purchase and Cancellation of Trust Certificates*), the Government may in its sole discretion deliver to the Trustee a duly completed Exercise Notice, subject to and in accordance with the provisions of the Sale and Substitution Undertaking, and, on receipt of such notice, the Trustee shall redeem the Trust Certificates in whole but not in part, on the Trustee giving not less than 30 days' nor more than 60 days' notice (or such other notice period as may be specified in the applicable Final Terms, such notice period being given within 30 days after the Certificateholder Put Right Date or the Tangibility Event Put Right Date, if applicable) to the Delegate and the Certificateholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable) on the date specified in such notice (the **"Clean Up Call Right Dissolution Date"**), at the Clean Up Call Right Dissolution Amount specified in, or determined in the manner specified in, the applicable Final Terms, including all unpaid Periodic Distribution Amounts accrued (if any)

to (but excluding) the Clean Up Call Right Dissolution Date (the "**Clean Up Call Right Dissolution Amount**").

10.8 ***Dissolution following a Dissolution Event***

Upon the occurrence of a Dissolution Event, the Trust Certificates shall be redeemed at their Dissolution Event Amount specified in, or determined in the manner specified in, the applicable Final Terms, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Dissolution Event Redemption Date (the "**Dissolution Event Amount**"), subject to and as more particularly described in Condition 14 (*Dissolution Events*) and this Condition 10 (*Capital Distributions of Trust*).

10.9 ***No Other Optional Early Dissolution***

Neither the Trustee nor the Certificateholders shall be entitled to redeem, or cause to be redeemed, as applicable, the Trust Certificates, otherwise than as provided in this Condition 10 (*Capital Distributions of Trust*) and Condition 14 (*Dissolution Events*). Upon payment in full of all amounts due in respect of the Trust Certificates of any Series and the execution of the relevant Sale Agreement the Trustee shall be bound to dissolve the Trust and the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and neither the Government nor the Trustee shall have any further obligations in respect thereof.

10.10 ***Cancellation***

All Trust Certificates which are redeemed will forthwith be forwarded to the Registrar, cancelled and destroyed and accordingly may not be held, reissued or resold.

11. **Purchase and Cancellation of Trust Certificates**

11.1 ***Purchases***

The Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department and/or any other public sector instrumentality of the Government of the Emirate of Sharjah (as defined in Condition 18(i) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*)) may at any time purchase Trust Certificates at any price in the open market or otherwise at any price. Following any purchase of Trust Certificates pursuant to this Condition 11.1, such Trust Certificates may be held, resold or, at the discretion of the holder thereof, cancelled (subject to such Trust Certificates being deemed not to remain outstanding for certain purposes as provided under the Master Declaration of Trust and these Conditions if so held, as more particularly set out in Condition 18(a)(i) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*)).

11.2 ***Cancellation***

Upon receipt of a Cancellation Notice from the Government in accordance with the Sale and Substitution Undertaking, Trust Certificates purchased by or on behalf of the Government and identified for cancellation on the Cancellation Date will forthwith be forwarded by or on behalf of the Trustee to the relevant Registrar, to be cancelled and destroyed and accordingly may not be held, reissued or resold.

12. **Taxation**

All payments in respect of the Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within a Relevant Jurisdiction or any authority therein or thereof having power to tax, unless the withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as will result in receipt by the Certificateholders of such amounts as would have been received by them, had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Trust Certificate:

- (a) held by or on behalf of a holder who is liable for such Taxes in respect of such Trust Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of the Trust Certificate; or
- (b) where the relevant Trust Certificate is required to be surrendered for payment and is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Certificateholder would have been entitled to such additional amount if it surrendered; or
- (c) the relevant Trust Certificate for payment on the last day of such period of 30 days.

The Transaction Documents provide that payments thereunder by the Government shall be made without set-off, counterclaim, deduction or withholding unless compelled by law in which event the Government will pay such additional amounts as will result in the receipt by the Delegate and the Trustee of the amounts which would otherwise have been payable by the Government to the Delegate and/or the Trustee, as the case may be, under the Transaction Documents in the absence of any such set-off, counterclaim, deduction or withholding.

Further, in accordance with the Master Declaration of Trust, the Government has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, if the Trustee fails to comply with any obligation to pay additional amounts pursuant to this Condition 12, pay to or to the order of the Delegate (for the benefit of the Certificateholders) an amount equal to the liability of the Trustee in respect of any and all additional amounts required to be paid by the Trustee in respect of the Trust Certificates pursuant to this Condition 12.

Notwithstanding anything to the contrary contained herein, no additional amounts shall be payable in respect of any Trust Certificate for any Taxes imposed or withheld pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or any successor provisions thereto, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

13. **Prescription**

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

14. **Dissolution Events**

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

- (a) default is made in the payment of the Dissolution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and, in the case of the Dissolution Amount, such default continues unremedied for a period of seven Business Days and, in the case of a Periodic Distribution Amount, such default continues unremedied for a period of 14 Business Days; or
- (b) the Trustee fails to perform or observe any one or more of its other duties, obligations or undertakings under the Trust Certificates or the Transaction Documents, which failure is, in the sole opinion of the Delegate, incapable of remedy or, if in the sole opinion of the Delegate is capable of remedy, is not, in the sole opinion of the Delegate, remedied within the period of 30 days following the service by the Delegate of a notice on the Trustee requiring the same to be remedied; or
- (c) a Government Event occurs; or
- (d) an Insurance Notice Event occurs; or
- (e) the Trustee repudiates or challenges the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party or does or causes to be done

any act or thing evidencing an intention to repudiate or challenge the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party; or

- (f) at any time it is or will become unlawful or impossible for the Trustee to perform or comply with any or all of its obligations under the Trust Certificates or the Transaction Documents or any of the obligations of the Trustee under the Trust Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (g) either: (i) the Trustee is (or is deemed by law or a court to be) insolvent or unable to pay its debts as they fall due; or (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (h) an order or decree is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Trustee; or
- (i) any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraphs (g) and (h) above,

the Delegate, upon receiving notice thereof under the Declaration of Trust and subject to it being indemnified and/or secured and/or prefunded to its satisfaction, shall promptly give notice of the occurrence of such Dissolution Event to the holders of Trust Certificates in accordance with Condition 17 (*Notices*) with a request to such holders to indicate to the Trustee and the Delegate if they wish the Trust Certificates to be redeemed and the Trust to be dissolved. Following the issuance of such notice, the Delegate in its sole discretion may, and if so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Series of Trust Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Trust Certificates (each a "**Dissolution Request**") shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Dissolution Notice**") to the Trustee, the Government and the holders of the Trust Certificates of the relevant Series in accordance with Condition 17 (*Notices*) that the Trust Certificates are immediately due and payable at the Dissolution Amount, on the date of such notice (the "**Dissolution Event Redemption Date**"), whereupon they shall become so due and payable.

Upon payment in full of such amounts and signing the relevant Sale Agreement, the Trust will be dissolved, the Trust Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purposes of paragraph (a) above, amounts shall be considered due in respect of the Trust Certificates (including for the avoidance of doubt any amounts calculated as being payable under Condition 7 (*Fixed Periodic Distribution Provisions*) and Condition 10 (*Capital Distributions of Trust*)) notwithstanding that the Trustee has at the relevant time insufficient funds or Trust Assets to pay such amounts. For the avoidance of doubt, this is without prejudice to Condition 4.3 (*Limited Recourse*).

For the purposes of this Condition 14 (*Dissolution Events*), "**Government Event**" shall mean each of the following events:

- (i) if default is made by the Government in the payment of: (i) any Rental to be paid into the Transaction Account by the Lessee in accordance with the terms of the Lease Agreement and the default continues for a period of 14 Business Days; or (ii) the Exercise Price, the Certificateholder Put Right Exercise Price, the Tangibility Event Put Right Exercise Price or any Loss Shortfall Amount (as the case may be) and the default continues for a period of seven Business Days; or

- (ii) occurrence of a Partial Loss Dissolution Event;
- (iii) if the Government (acting in any capacity) fails to perform or observe any one or more of its other obligations under the Transaction Documents to which it is a party (including in accordance with clauses 3.1, 3.2 and 3.3 of the relevant Supplemental Lease Agreement but other than its obligations as set out in clauses 5.1, 5.7 and clause 9 of the Servicing Agency Agreement (save for the delivery of the Tangibility Event Trustee Notice)), which failure is, in the sole opinion of the Delegate, incapable of remedy or, if in the sole opinion of the Delegate capable of remedy, is not, in the sole opinion of the Delegate, remedied within the period of 30 days following the service by the Delegate on the Government of notice requiring the same to be remedied; or
- (iv) if any Financial Indebtedness of the Government is not paid when due nor within any originally applicable grace period or any such Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described) **provided, however, that** it shall not constitute a Government Event under this paragraph (iv) unless the aggregate amount of all such Financial Indebtedness shall be more than U.S.\$30,000,000 (or its equivalent in any other currency or currencies); or
- (v) if any execution, distress, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against, or an encumbrancer takes possession of, the whole or any substantial part of the property, undertaking or assets of the Government or any event occurs which under the laws of any jurisdiction has a similar or analogous effect, and any such event is not discharged within 30 days; or
- (vi) if the Government fails to comply with or pay any sum which amount shall not be less than U.S. \$50,000,000 (or its equivalent in any other currency or currencies) due from it under any final non-appealable judgment or any final non-appealable order made or given by any court of competent jurisdiction and such failure continues for a period of 60 days following the service by the Delegate on the Government of notice requiring the same to be paid/remedied; or
- (vii) if the Government enters into an arrangement with its creditors generally for the rescheduling or postponement of any Financial Indebtedness, as a result of its inability or potential inability to fulfill its obligations to them, or a moratorium on the payment of all or any part of the Financial Indebtedness of the Government is declared; or
- (viii) if the Government repudiates or challenges the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate or challenge the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party, or if the validity of the Government's obligations under the Transaction Documents to which it is a party is contested by the Government or the Government denies any of its obligations under the Transaction Documents to which it is a party; or
- (ix) if at any time it is or will become unlawful or impossible for the Government to perform or comply with any or all of its obligations under the Trust Certificates or the Transaction Documents to which it is a party or any of the obligations of the Government under the Trust Certificates or the Transaction Documents to which it is a party are not or cease to be legal, valid, binding and enforceable; or
- (x) the expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process by the Government in respect of the whole of the Lease Assets; or

- (xi) if any action, condition or thing at any time required to be taken, fulfilled or done in order:
 - (A) to enable the Government lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Transaction Documents to which it is a party; or
 - (B) to ensure that those obligations are legal, valid, binding and enforceable, is not taken, fulfilled or done.

15. Enforcement and Exercise of Rights

15.1 *Limitation on Liability of the Trustee*

Following the enforcement, realisation and ultimate distribution of the proceeds of the Trust Assets in respect of the Trust Certificates to the Certificateholders in accordance with these Conditions and the Declaration of Trust, the Trustee shall not be liable for any further sums, and accordingly no Certificateholder may take any action against the Trustee or any other Person to recover any such sum in respect of the Trust Certificates or Trust Assets.

15.2 *Delegate not obliged to take action*

The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action, step or proceedings against the Government and/or the Trustee under any Transaction Document unless directed or requested to do so in writing by the holders of at least 25 per cent. in aggregate face amount of the Trust Certificates then outstanding and subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

15.3 *Direct enforcement by Certificateholders*

No Certificateholder shall be entitled to proceed directly against the Trustee or the Government, under any Transaction Document, unless the Delegate, having become so bound to proceed, (i) fails to do so within 30 days of becoming so bound, or (ii) is unable by reason of an order of a court having competent jurisdiction, and such failure or inability is continuing. Under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents and/or these Conditions), and the sole right of the Trustee, the Delegate and the Certificateholders against the Trustee and the Government, as applicable, shall be to enforce their respective obligations under the Transaction Documents.

15.4 *Limited recourse*

Conditions 15.1 (*Limitation on Liability of the Trustee*), 15.2 (*Delegate not obliged to take action*) and 15.3 (*Direct enforcement by Certificateholders*) are subject to this Condition 15.4. After enforcing or realising the Trust Assets in respect of the Trust Certificates of the relevant Series and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 15.2 (*Delegate not obliged to take action*) and the Declaration of Trust, the obligations of the Trustee in respect of the Trust Certificates of the relevant Series shall be satisfied and no Certificateholder may take any further steps against the Trustee or the Delegate or any other Person to recover any further sums in respect of the Trust Certificates of the relevant Series and the right to receive any such sums unpaid shall be extinguished.

16. Replacement of Definitive Trust Certificates

Should any definitive Trust Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the relevant Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee may reasonably require (in light of prevailing market practice). Mutilated or defaced definitive Trust Certificates must be surrendered and cancelled before replacements will be issued.

17. **Notices**

All notices to the Certificateholders will be valid if mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses in the Register.

The Trustee shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) on which the Trust Certificates are for the time being listed or on which they have been admitted to trading and/or quotation (as applicable). In addition, for so long as any Trust Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and/or admitted to quotation (as applicable) and the rules of that stock exchange, relevant authority or quotation system (as applicable) so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

So long as the Trust Certificates are listed on Euronext Dublin and the rules of the exchange so require, notices to Certificateholders shall also be published either on the website of Euronext Dublin (<https://live.euronext.com/en/markets/dublin>) or in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

Any notice shall be deemed to have been given on the fourth day (other than a Friday, Saturday or Sunday) after being mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication. So long as the Global Trust Certificate representing the Trust Certificates is held in its entirety on behalf of DTC, Euroclear and/or Clearstream, Luxembourg, there may be substituted for such publication in such newspaper(s) the delivery of the relevant notice to DTC, Euroclear and Clearstream, Luxembourg (as applicable) for communication by them to the Certificateholders. Any such notice shall be deemed to have been given to the Certificateholders on the day on which the said notice was given to DTC, Euroclear and Clearstream, Luxembourg (as applicable).

Notices to be given by any Certificateholder shall be in writing and given by lodging the same with the Principal Paying Agent. Whilst any of the Trust Certificates are represented by the Global Trust Certificate, such notice may be given by any holder of a Trust Certificate to the Principal Paying Agent through DTC, Euroclear and/or Clearstream, Luxembourg (as applicable), in such manner as the Principal Paying Agent and DTC, Euroclear and Clearstream, Luxembourg (as applicable) may approve for this purpose.

18. **Meetings of Certificateholders; Written Resolutions**

(a) ***Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions:***

- (i) The Trustee, the Government and/or the Delegate may convene a meeting of the Certificateholders at any time in respect of the Trust Certificates in accordance with the provisions of the Master Declaration of Trust and the Agency Agreement. The Trustee, the Government or the Delegate, as the case may be, will determine the time and place of the meeting and will notify the Certificateholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (ii) The Trustee, the Government and/or the Delegate (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) will convene a meeting of Certificateholders if the holders of at least 10 per cent. in face amount of the outstanding Trust Certificates (as defined in the Master Declaration of Trust and described in Condition 18(i) (*Trust Certificates controlled by the Trustee or the Government*)) have delivered a written request to the Trustee, the Government or the Delegate (with a copy to the Trustee and the Government) setting out the purpose of the meeting. The Delegate shall agree the time and place of the meeting with the Trustee and the Government promptly. The Trustee, the Government or

the Delegate, as the case may be, will notify the Certificateholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.

- (iii) The Trustee or the Government (as the case may be) (with the agreement of the Delegate) will set the procedures governing the conduct of any meeting in accordance with the Master Declaration of Trust and the Agency Agreement. If neither the Master Declaration of Trust nor the Agency Agreement includes such procedures, or additional procedures are required, the Trustee, the Government and the Delegate will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Trustee or the Government (as the case may be) proposes any modification to the terms and conditions of, or action with respect to, two or more series of securities issued by it.
- (iv) The notice convening any meeting will specify, *inter alia*:
 - (A) the date, time and location of the meeting;
 - (B) the agenda and the text of any Extraordinary Resolution (as defined below) to be proposed for adoption at the meeting;
 - (C) the Record Date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (D) the documentation required to be produced by a Certificateholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Certificateholder's behalf at the meeting;
 - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Trust Certificates are traded and/or held by Certificateholders;
 - (F) whether Condition 18(b) (*Modification of this Series of Trust Certificates only*), 18(c) (*Multiple Series Aggregation – Single limb voting*) or 18(d) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of securities it applies;
 - (G) if the proposed modification or action relates to two or more series of securities issued by it and contemplates such series of securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group of securities;
 - (H) such information that is required to be provided by the Trustee in accordance with Condition 18(f) (*Information*);
 - (I) the identity of the Aggregation Agent (appointed in accordance with Condition 19(a) (*Appointment*) and as defined therein) and the Calculation Agent, if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 18(g) (*Claims Valuation*); and
 - (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of securities.
- (v) In addition, the Master Declaration of Trust contains provisions relating to Written Resolutions (as defined below). Further, the Master Declaration of Trust provides that, where the Trust Certificates are held by or on behalf of a clearing system or clearing systems, approval of a resolution may be given by way of electronic consents communicated through the electronic communications

systems of the relevant clearing system(s) in accordance with the operating rules and procedures of the relevant clearing system(s) by or on behalf of the Certificateholders ("**Electronic Consent**"). All information to be provided pursuant to Condition 18(a)(iv) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions or resolutions approved by Electronic Consent.

- (vi) A "**Record Date**" in relation to any proposed modification or action means the date fixed by the Trustee or the Government (as the case may be) for determining the Certificateholders and, in the case of a multiple series aggregation, the holders of securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution as set out below.
 - (vii) An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
 - (viii) A "**Written Resolution**" means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
 - (ix) Any reference to "**securities**" means any trust certificates (including, without limitation, the Trust Certificates), bonds, debentures or other securities issued by the Trustee or the Government in one or more series with an original stated maturity of more than one year.
 - (x) "**Securities Capable of Aggregation**" means those securities which include or incorporate by reference this Condition 18 (*Meetings of Certificateholders; Written Resolutions*) and Condition 19 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the securities which include such provisions to be capable of being aggregated for voting purposes with other series of securities.
 - (xi) "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the relevant Registrar is located.
- (b) ***Modification of this Series of Trust Certificates only:***
- (i) Without prejudice to clause 11 of the Master Declaration of Trust, any modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
 - (ii) A "**Single Series Extraordinary Resolution**" means a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the procedures prescribed by the Trustee or the Government and the Delegate pursuant to Condition 18(a) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*) by a majority of:
 - (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate face amount of the outstanding Trust Certificates; or
 - (B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate face amount of the outstanding Trust Certificates.

(iii) A **"Single Series Written Resolution"** means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate face amount of the outstanding Trust Certificates; or

(B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate face amount of the outstanding Trust Certificates.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders.

(iv) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Certificateholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(c) ***Multiple Series Aggregation – Single limb voting:***

(i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, **provided that** the Uniformly Applicable condition (as defined below) is satisfied.

(ii) A **"Multiple Series Single Limb Extraordinary Resolution"** means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Trustee or the Government (as the case may be) and the Delegate pursuant to Condition 18(a) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate face amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate).

(iii) A **"Multiple Series Single Limb Written Resolution"** means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the applicable securities documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate face amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of Securities Capable of Aggregation.

(iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.

- (v) The "**Uniformly Applicable**" condition will be satisfied if:
 - (A) the holders of all affected series of Securities Capable of Aggregation are invited to exchange, convert, or substitute their securities, on the same terms, for (1) the same new instrument or other consideration or (2) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
 - (B) the amendments proposed to the terms and conditions of each affected series of Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the currency of issuance).
 - (vi) It is understood that a proposal under Condition 18(c)(iii) (*Multiple Series Aggregation – Single limb voting*) will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation is not offered the same amount of consideration per Dissolution Amount, the same amount of consideration per Periodic Distribution Amount accrued but unpaid and the same amount of consideration per past due Periodic Distribution Amount, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation is not offered the same amount of consideration per Dissolution Amount, the same amount of consideration per amount of Periodic Distribution Amount accrued but unpaid and the same amount of consideration per amount of past due Periodic Distribution Amount, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation electing the same option from such menu of instruments).
 - (vii) Any modification or action proposed under Condition 18(c) (*Multiple Series Aggregation – Single limb voting*) may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 18(c) (*Multiple Series Aggregation – Single limb voting*) may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.
- (d) ***Multiple Series Aggregation – Two limb voting:***
- (i) In relation to a proposal that includes a Reserved Matter (as defined below), any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
 - (ii) A "**Multiple Series Two Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Trustee or the Government (as the case may be) and the Delegate pursuant to Condition 18(a) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:
 - (A) at least 66⅔ per cent. of the aggregate face amount of the outstanding securities of affected series of Securities Capable of Aggregation (taken in aggregate); and

- (B) more than 50 per cent. of the aggregate face amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).
- (iii) A "**Multiple Series Two Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the applicable securities documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:
 - (A) at least $66\frac{2}{3}$ per cent. of the aggregate face amount of the outstanding securities of all the affected series of Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50 per cent. of the aggregate face amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of Securities Capable of Aggregation.

- (iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.
- (v) Any modification or action proposed under this Condition 18(d) (*Multiple Series Aggregation – Two limb voting*) may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 18(d) (*Multiple Series Aggregation – Two limb voting*) may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

(e) **Reserved Matters:**

In these Conditions, "**Reserved Matter**" means any proposal:

- (i) to change the Scheduled Dissolution Date or any other date, or the method of determining the Scheduled Dissolution Date or any other date, for payment of the Dissolution Amount, the Periodic Distribution Amount or any other amount in respect of the Trust Certificates, to reduce or cancel the amount of the Dissolution Amount, the Periodic Distribution Amount or any other amount payable on any date in respect of the Trust Certificates or to change the method of calculating the amount of the Dissolution Amount, the Periodic Distribution Amount or any other amount payable in respect of the Trust Certificates on any date for any such payment;
- (ii) to change the currency in which any amount due in respect of the Trust Certificates is payable or the place in which any payment is to be made;
- (iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Certificateholders or the number or percentage of votes required to be cast, or the number or percentage of Trust

Certificates required to be held, in connection with the taking of any decision or action by or on behalf of the Certificateholders or any of them;

- (iv) to change this definition, or the definition of **"Extraordinary Resolution"**, **"Single Series Extraordinary Resolution"**, **"Multiple Series Single Limb Extraordinary Resolution"**, **"Multiple Series Two Limb Extraordinary Resolution"**, **"Written Resolution"**, **"Single Series Written Resolution"**, **"Multiple Series Single Limb Written Resolution"** or **"Multiple Series Two Limb Written Resolution"**;
- (v) to change the definition of **"securities"** or **"Securities Capable of Aggregation"**;
- (vi) to change the definition of **"Uniformly Applicable"**;
- (vii) to change the definition of **"outstanding"** or to modify the provisions of Condition 18(i) (*Trust Certificates controlled by the Trustee or the Government*);
- (viii) to change (A) the legal ranking of the Trust Certificates or (B) to approve such other arrangement by way of Extraordinary Resolution of the Certificateholders as referred to in Condition 4.2 (*Negative Pledge*);
- (ix) to change any provision of the Trust Certificates describing circumstances in which Trust Certificates may be declared due and payable prior to their scheduled maturity date, set out in Condition 14 (*Dissolution Events*);
- (x) to change the law governing the Trust Certificates, any of the arrangements specified in the Trust Certificates to enable proceedings to be taken or the Trustee's waiver of immunity, in respect of actions or proceedings brought by any Certificateholder, set out in Condition 26 (*Waiver of Immunity*);
- (xi) to impose any condition on or otherwise change the Trustee's obligation to make payments of the Dissolution Amount, the Periodic Distribution Amount or any other amount in respect of the Trust Certificates;
- (xii) to modify the provisions of this Condition 18(e) (*Reserved Matters*);
- (xiii) to change any of the Government's covenants set out in the Lease Agreement or any of its covenants or undertakings to make a payment under any Transaction Document to which it is a party; or
- (xiv) to exchange or substitute all the Trust Certificates for, or convert all the Trust Certificates into, other obligations or securities of the Trustee or the Government (as the case may be) or any other Person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Trust Certificates for, or the conversion of the Trust Certificates into, any other obligations or securities of the Trustee or the Government (as the case may be) or any other Person, which would result in these Conditions as so modified being less favourable to the Certificateholders which are subject to these Conditions as so modified than:
 - (A) the provisions of the other obligations or securities of the Trustee or the Government (as the case may be) or any other Person resulting from the relevant exchange or substitution or conversion; or
 - (B) if more than one series of other obligations or securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of securities having the largest aggregate face amount.

(f) **Information:**

Prior to or on the date that the Trustee or the Government or the Delegate (as the case may be) proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 18(b) (*Modification of this Series of Trust Certificates only*), 18(c) (*Multiple Series*

Aggregation – Single limb voting) or 18(d) (*Multiple Series Aggregation – Two limb voting*), the Trustee or the Government (as the case may be) shall publish in accordance with Conditions 17 (*Notices*) and 19 (*Aggregation Agent; Aggregation Procedures*), and provide the Delegate with the following information:

- (i) a description of the Trustee's and the Government's economic and financial circumstances which are, in the Trustee's or the Government's, as applicable, opinion, relevant to the request for any potential modification or action, a description of the Trustee's and the Government's existing debts and a description of the Government's broad policy reform programme and provisional macroeconomic outlook;
- (ii) if the Trustee or the Government shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (iii) a description of the Trustee's and/or the Government's proposed treatment of external securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other securities and its other major creditor groups; and
- (iv) if any proposed modification or action contemplates securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Certificateholders in accordance with Condition 18(a)(iv)(G) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*).

(g) ***Claims Valuation:***

For the purpose of calculating the par value of the Trust Certificates and any affected series of securities which are to be aggregated with the Trust Certificates in accordance with Conditions 18(c) (*Multiple Series Aggregation – Single limb voting*) and 18(d) (*Multiple Series Aggregation – Two limb voting*), the Trustee or the Government (as the case may be) may appoint a calculation agent (in such capacity, the "**Calculation Agent**"). The Trustee or the Government (as the case may be) shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Trust Certificates and such affected series of securities. In any such case where a Calculation Agent is appointed, the same Person will be appointed as the Calculation Agent for the Trust Certificates and each other affected series of securities for these purposes, and the same methodology will be promulgated for each affected series of securities.

(h) ***Manifest error, etc.:***

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

- (i) such modification is of a formal, minor or technical nature; or
- (ii) such modification is made to correct a manifest error; or

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

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

Any such modification, waiver, authorisation or determination may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding upon the Certificateholders and shall as soon as practicable thereafter be notified by the Trustee to Certificateholders in accordance with Condition 17 (*Notices*).

(i) ***Trust Certificates controlled by the Trustee or the Government:***

For the purposes of (a) determining the right to attend and vote at any meeting of Certificateholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 18 (*Meeting of Certificateholders; Written Resolutions*) and (c) Condition 14 (*Dissolution Events*), any Trust Certificates which are for the time being held by or on behalf of the Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department, any other public sector instrumentality of the Government of the Emirate of Sharjah or by or on behalf of any Person which is owned or controlled directly or indirectly by the Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department or by any other public sector instrumentality of the Government of the Emirate of Sharjah shall be disregarded and be deemed not to remain outstanding; where:

- (i) "**public sector instrumentality**" means the Sharjah Finance Department, any Agency, any other department or ministry of the Government of the Emirate of Sharjah or any corporation, trust, financial institution or other entity owned or controlled by the Government of the Emirate of Sharjah or any of the foregoing; and
- (ii) "**control**" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other Persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Trust Certificate will also be deemed to be not outstanding if, in accordance with these Conditions, the Trust Certificate has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Trust Certificate has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Trustee or the Government (as the case may be) has previously satisfied its obligations to make all payments due in respect of the Trust Certificates in accordance with its terms.

In advance of any meeting of Certificateholders, or in connection with any Written Resolution, the Trustee or the Government (as the case may be) shall provide to the Delegate a copy of the certificate prepared pursuant to Condition 20(d) (*Certification*) which includes information on the total number of Trust Certificates which are for the time being held by or on behalf of the Trustee, the Government, the Sharjah Finance Department or any other public sector instrumentality of the Government (as the case may be) or by or on behalf of any Person which is owned or controlled directly or indirectly by the Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department or by any other public sector instrumentality of the Government (as the case may be) and, as such, such Trust Certificates shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Certificateholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Delegate shall make any such certificate available for

inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

(j) ***Publication:***

The Trustee or the Government (as the case may be) shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 19(g) (*Manner of publication*).

(k) ***Exchange and Conversion:***

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, these Conditions may be implemented at the Trustee's or the Government's (as the case may be) option by way of a mandatory exchange or conversion of the Trust Certificates and each other affected series of securities, as the case may be, into new *Shari'a* compliant securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Trust Certificates is notified to Certificateholders at the time notification is given to the Certificateholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Certificateholders.

19. **Aggregation Agent; Aggregation Procedures**

(a) ***Appointment:***

The Trustee or the Government (as the case may be) will appoint an aggregation agent (in such capacity, the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required face amount outstanding of Trust Certificates and, in the case of a multiple series aggregation, by the required face amount of outstanding securities of each affected series of securities. In the case of a multiple series aggregation, the same Person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates and in respect of the terms and conditions or securities documentation in respect of each other affected series of securities. The Aggregation Agent shall be independent of the Trustee and the Government.

(b) ***Extraordinary Resolutions:***

If an Extraordinary Resolution has been proposed at a duly convened meeting of Certificateholders to modify any provision of, or action in respect of, these Conditions and other affected series of securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Trust Certificates and, where relevant, each other affected series of securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(c) ***Written Resolutions:***

If a Written Resolution has been proposed under these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Trust Certificates and, where relevant, each other affected series of securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(d) ***Certificate:***

For the purposes of Conditions 19(b) (*Extraordinary Resolutions*) and 19(c) (*Written Resolutions*), the Trustee and the Government will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 18(b) (*Modification of this Series of Trust Certificates only*), 18(c) (*Multiple Series Aggregation – Single limb voting*) or 18(d) (*Multiple Series Aggregation – Two limb voting*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution. The certificate shall:

- (i) list the total face amount of Trust Certificates and, in the case of a multiple series aggregation, the total face amount of each other affected series of securities outstanding on the Record Date; and
- (ii) clearly indicate the Trust Certificates and, in the case of a multiple series aggregation, securities of each other affected series of securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 18(i) (*Trust Certificates controlled by the Trustee or the Government*) on the Record Date identifying the holders of the Trust Certificates and, in the case of a multiple series aggregation, securities of each other affected series of securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(e) ***Notification:***

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 19 (*Aggregation Agent; Aggregation Procedures*) to be notified to the Delegate, the Trustee and the Government as soon as practicable after such determination. Notice thereof shall also promptly be given to the Certificateholders by the Trustee or the Government in accordance with Condition 17 (*Notices*).

(f) ***Binding nature of determinations; no Liability:***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 19 (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Trustee, the Government, the Delegate and the Certificateholders and (subject as aforesaid) no Liability to any such Person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(g) ***Manner of publication:***

The Trustee and the Government will publish all notices and other matters required to be published pursuant to the Declaration of Trust including any matters required to be published pursuant to Conditions 14 (*Dissolution Events*), Condition 18 (*Meetings of Certificateholders; Written Resolutions*) and this Condition 19 (*Aggregation Agent; Aggregation Procedures*):

- (i) through Euroclear, Clearstream Luxembourg and/or any other clearing system in which the Trust Certificates are held (as applicable);
- (ii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iii) in such other places and in such other manner as may be customary.

20. **Certificateholders' Committee**

(a) ***Appointment:***

(i) Holders of at least 25 per cent. of the aggregate face amount of all outstanding series of securities (taken in aggregate) issued by the Trustee or the Government (the "**Relevant Securities**") may, by notice in writing to the Trustee and the Government (with a copy to the Delegate), appoint any person or persons as a committee to represent the interests of such holders (as well as the interests of any holders of outstanding securities who wish to be represented by such a committee) if any of the following events has occurred:

- (A) a Dissolution Event or a Potential Dissolution Event;
- (B) any public announcement by the Trustee or the Government (as the case may be), to the effect that the Trustee or the Government (as the case may be) is seeking or intends to seek a rescheduling or restructuring of the Trust Certificates or any other Relevant Securities (whether by amendment, exchange offer or otherwise); or
- (C) with the agreement of the Government, at a time when the Government has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Trust Certificates or any other Relevant Securities are outstanding.

(ii) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 20(a)(i) (*Appointment*) and a certificate delivered pursuant to Condition 20(d) (*Certification*), the Government or the Trustee shall give notice of the appointment of such a committee to:

- (A) the Delegate and all Certificateholders in accordance with Condition 17 (*Notices*); and
- (B) the holders of each series of Relevant Securities in accordance with the terms and conditions of each such series of Relevant Securities,

as soon as practicable after such written notice and such certificate are delivered.

(b) ***Powers:***

Such committee in its discretion may, among other things:

- (i) engage legal advisers and financial advisers to assist it in representing the interests of the holders of all series of Relevant Securities (including the Certificateholders);
- (ii) adopt such rules as it considers appropriate regarding its proceedings;
- (iii) enter into discussions with the Trustee and/or the Government and/or other creditors of the Trustee and/or the Government; and
- (iv) designate one or more members of the committee to act as the main point(s) of contact with the Trustee and/or the Government and provide all relevant contact details to the Trustee and/or the Government.

Except to the extent provided in this Condition 20(b), such committee shall not have the ability to exercise any powers or discretions which the holders of all series of Relevant Securities (including the Certificateholders) could themselves exercise.

(c) ***Engagement with the committee and provision of information:***

- (i) Each of the Trustee and the Government shall:
 - (A) subject to paragraph (B) immediately below, engage with the committee in good faith;
 - (B) provide the committee with information equivalent to that required under Condition 18(f) (*Information*) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and
 - (C) pay any reasonable fees and expenses of any such committee (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.
- (ii) If more than one committee has been appointed by holders of one or more series of Relevant Securities in accordance with the provisions of this Condition 20 (*Certificateholders' Committee*) and/or equivalent provisions set out in the terms and conditions of any such Relevant Securities, neither the Trustee nor the Government shall be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Trustee and the Government shall engage with such steering group.

(d) ***Certification:***

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Trustee, the Government and to the Delegate signed by the authorised representatives of the Members, and the Trustee, the Government and the Delegate may rely upon the terms of such certificate conclusively and without any Liability therefor.

The certificate shall certify:

- (i) that the committee has been appointed;
- (ii) the identity of the Members; and
- (iii) that such appointment complies with the terms and conditions of the relevant securities documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Trustee, the Government and the Delegate may rely on conclusively (and without any Liability therefor), will be delivered to the Trustee, the Government and the Delegate identifying the new Members. Each of the Trustee, the Government and the Delegate will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 20(d) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Condition 20(c)(ii) (*Engagement with the committee and provision of information*).

In appointing a person or persons as a committee to represent the interests of the Certificateholders, the Certificateholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other series of Relevant Securities.

21. Indemnification and Liability of the Delegate

- 21.1 The Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.
- 21.2 The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Government (acting in any capacity) under any Transaction Document and shall not under any circumstances have any Liability or be obliged to account to the Certificateholders in respect of any payment which should have been made by the Government (acting in any capacity), but is not so made, and shall not in any circumstances have any Liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust.
- 21.3 Each of the Delegate and the Trustee is exempted from (a) any Liability in respect of any loss or theft of the Trust Assets or any cash, (b) any obligation to insure the Trust Assets or any cash and (c) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of wilful default, gross negligence or fraud of the Delegate or the Trustee, as the case may be.

22. Currency Indemnity

The Specified Currency is the sole currency of account and payment for all sums payable by the Trustee under or in connection with the Trust Certificates, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Certificateholder in respect of any sum expressed to be due to it from the Trustee shall only constitute a discharge to the Trustee to the extent of the Specified Currency amount which the recipient is able to purchase at the spot exchange rate with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Specified Currency amount is less than the Specified Currency amount expressed to be due to the recipient under any Trust Certificate, the Trustee shall indemnify it against any actual loss (excluding opportunity loss and cost of funding, whether in the form of interest or otherwise) sustained by it as a result. In any event, the Trustee shall indemnify the recipient against the actual cost (excluding opportunity cost and cost of funding, whether in the form of interest or otherwise) of making any such purchase. These indemnities constitute a separate and independent obligation from the Trustee's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Certificateholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Trust Certificate or any other judgment or order.

23. Further Issues

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

24. Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of the Trust Certificates under the Contracts (Rights of Third Parties) Act 1999.

25. **Governing Law and Dispute Resolution**

25.1 **Governing Law:** The Declaration of Trust (including these Conditions), the Agency Agreement, the Servicing Agency Agreement, the Master Murabaha Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking and the Trust Certificates and any non-contractual obligations arising out of or in connection with the same are and shall be governed by, and construed in accordance with, English law.

25.2 **Arbitration:** The Delegate, the Trustee and the Government have in the Declaration of Trust agreed that, subject to the provisions of Condition 25.3 (*Option to Litigate*), any dispute, claim, difference or controversy arising out of, relating to or having connection with the Declaration of Trust and/or the Trust Certificates (which includes these Conditions and this Condition 25.2) (including any dispute as to their existence, validity, interpretation, performance, breach or termination of the Declaration of Trust or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the LCIA (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 25 (*Governing Law and Dispute Resolution*). For these purposes:

- (a) the seat of arbitration shall be London;
- (b) there shall be three arbitrators, each of whom shall be an attorney experienced in international securities transactions. The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, and a third arbitrator (who shall act as presiding arbitrator) shall be nominated by the arbitrators nominated by or on behalf of the claimant(s) and respondent(s) or, in the absence of agreement on the third arbitrator within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA Court (as defined in the Rules); and
- (c) the language of the arbitration shall be English.

25.3 **Option to Litigate:** Notwithstanding the agreement described in Condition 25.2 (*Arbitration*), the Delegate may, in the alternative and at its sole discretion, by notice in writing to the Trustee and the Government in accordance with the Declaration of Trust:

- (a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (b) if no arbitration has commenced,

require that the Dispute be heard by a court of law (a "**Notice to Litigate**"). If the Delegate gives a Notice to Litigate, the Dispute to which such notice refers shall be determined in the manner described in Condition 25.4 and any arbitration commenced under Condition 25.2 (*Arbitration*) in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own costs in relation thereto (other than the Delegate whose costs will be borne by the Government).

25.4 **Effect of exercise of option to litigate:** If a Notice to Litigate is given pursuant to Condition 25.3 (*Option to Litigate*), the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and each of the Trustee and the Government have in the Declaration of Trust submitted to the exclusive jurisdiction of such courts;
- (b) each of the Trustee and the Government have agreed that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary; and
- (c) this Condition 25.4 is for the benefit of the Delegate for and on behalf of the Certificateholders only. As a result, and notwithstanding paragraphs (a) and (b) above, the Delegate may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and, to the extent allowed by law, may take concurrent Proceedings in any number of jurisdictions.

26. **Waiver of Immunity**

Under the Declaration of Trust, the Government and the Trustee has agreed that, to the extent that it may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal or arbitral proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it will not claim and has irrevocably and unconditionally waived such immunity to the full extent permitted by the laws of that jurisdiction in relation to any Proceedings or Disputes. Further, each of the Government and the Trustee has irrevocably and unconditionally consented to the giving of any relief or the issue of any legal or arbitral proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Proceedings or Disputes.

27. **Waiver of Interest**

27.1 Each of the Trustee, the Government and the Delegate has in the Declaration of Trust irrevocably agreed that no interest will be payable or receivable under or in connection therewith and each party agrees that it will not claim any interest in respect of any proceedings brought by or on behalf of a party under the Declaration of Trust, any other Transaction Document or these Conditions.

27.2 If it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any arbitral award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall promptly donate the same to a registered or otherwise officially recognised charitable organisation.

27.3 For the avoidance of doubt, nothing in this Condition 27 shall be construed as a waiver of rights in respect of any Periodic Distribution Amounts, Required Amounts, Rentals, Dissolution Amounts, Exercise Price, Certificateholder Put Right Exercise Price, Tangibility Event Put Right Exercise Price, Full Reinstatement Value, Loss Shortfall Amount, Deferred Sale Price, Deferred Sale Price Instalments, Profit Amounts or profit or principal or other amount payable of any kind howsoever described payable by the Government (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or these Conditions, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

28. **Agent for Service of Process**

Each of the Government and the Trustee has irrevocably appointed Maples and Calder at its registered office at 6th Floor, DUO, 280 Bishopsgate, London EC2M 4RB, England, United Kingdom to receive, for it and on its behalf, service of process in respect of any Proceedings or Disputes in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Government or the Trustee). If for any reason such agent shall cease to be such agent for service of process, the Government and/or the Trustee (as applicable) shall forthwith appoint a new agent for service of process in England and notify the Delegate and the Certificateholders of such appointment (in accordance with Condition 17 (*Notices*)) within 30 days. Nothing herein shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection and/or collection at the specified office of the Principal Paying Agent (as defined in the Conditions). Words and expressions defined in the Conditions shall have the meanings in this summary.

The Master Declaration of Trust

The Master Declaration of Trust was entered into on 18 July 2025 between the Trustee, the Government and the Delegate and is governed by English law. Pursuant to the Master Declaration of Trust, a Supplemental Declaration of Trust between the same parties will be entered into on the Issue Date of each Tranche of Trust Certificates and will also be governed by English law.

Upon issue of any Series of Trust Certificates, the Master Declaration of Trust and each relevant Supplemental Declaration of Trust shall together constitute the trust over the relevant Trust Assets declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series of Trust Certificates comprise, *inter alia*, the cash proceeds of the Trust Certificates, pending application thereof in accordance with the terms of the Transaction Documents, the rights, title and interests of the Trustee in, to and under the Lease Asset(s), the rights, title and interests of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by the Government to the Trustee and the Delegate pursuant to the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to clause 15.1 of the Master Declaration of Trust), all monies standing to the credit of the relevant Transaction Account from time to time and all proceeds of the foregoing.

Pursuant to the Master Declaration of Trust, the Trustee will agree to act for and on behalf of the Certificateholders and, *inter alia*, in relation to each Tranche of Trust Certificates:

- (a) hold the relevant Trust Assets on trust absolutely for the Certificateholders as beneficial tenants in common *pro rata* according to the face amount of the Trust Certificates held by each Certificateholder; and
- (b) act as trustee in respect of such Trust Assets, distribute the income from such Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust.

Each Declaration of Trust will specify, *inter alia*, that in relation to each Series:

- (a) no recourse shall be had for the payment of any amount under the Declaration of Trust or under any relevant Transaction Document, whether for the payment of any fee, indemnity or other amount under the Declaration of Trust or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee (and/or its directors, officers or administrators), the Delegate, any Agent or any of their respective agents or affiliates to the extent the Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, any Agents and their respective agents or affiliates shall be extinguished;
- (b) the Trustee may from time to time (but always subject to the provisions of the Declaration of Trust), without the consent of the Certificateholders, create and issue additional Trust Certificates having the same terms and conditions as the outstanding Trust Certificates of such Series (or terms and conditions that are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue), and so that the same shall be consolidated and form a single series, with the outstanding Trust Certificates of such Series, and that any additional Trust Certificates which are to be created and issued so as to form a single series with the outstanding Trust Certificates of a particular Series which shall be constituted by a Supplemental Declaration of Trust in relation to which all applicable stamp duties or other documentation fees, duties or taxes have been paid and, if applicable, duly stamped and containing such other provisions as are necessary (including making such consequential modifications to the Master Declaration of Trust) in order to give effect to the issue of such additional Trust Certificates; and

- (c) on the date upon which any additional Trust Certificates are created and issued pursuant to the provisions pursuant to the provisions described in paragraph (b) above, a Supplemental Purchase Agreement will be entered for the sale, transfer and conveyance of rights, title, interests, benefits and other entitlements in, to and under the relevant Additional Asset(s). The Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the Additional Asset(s) (as set out in the relevant Declaration of Commingling of Assets) and the Lease Asset(s) in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Trust Certificates and the investments made pursuant to the Master Murabaha Agreement (and all rights arising under or with respect to such investments made pursuant to the Master Murabaha Agreement) in respect of the relevant Series are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates as tenants in common *pro rata* according to the face amount of Trust Certificates held by each Certificateholder, in accordance with the Declaration of Trust.

In the Declaration of Trust, the Trustee will irrevocably and unconditionally appoint the Delegate to, *inter alia*, exercise all the present and future powers, trusts, rights, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to sub-delegate and to make any determinations to be made under the Declaration of Trust) vested in the Trustee by the relevant provisions of the Declaration of Trust. The appointment of the Delegate by the Trustee is intended to be in the interests of the Certificateholders and, subject as provided in the Declaration of Trust, does not affect the Trustee's continuing role and obligations as trustee of the trusts created pursuant to the Master Declaration of Trust.

In the Declaration of Trust the Delegate will undertake that, *inter alia*, if it has received notice pursuant to the Declaration of Trust of the occurrence of a Dissolution Event in respect of any Trust Certificates and subject to Condition 14 (*Dissolution Events*): (i) it shall, as soon as reasonably practicable, notify the Certificateholders of the occurrence of such Dissolution Event in accordance with Condition 17 (*Notices*) with a request to such holders to indicate whether they wish the Trust Certificates to become immediately due and payable; and (ii) if so requested in writing by Certificateholders representing not less than 25 per cent. in aggregate face amount of the Trust Certificates for the time being outstanding (subject to being indemnified and/or secured and/or prefunded to its satisfaction), or if the Delegate decides in its discretion, it shall give notice to the Trustee, the Government and the Certificateholders in accordance with Condition 17 (*Notices*) that the Trust Certificates are to be redeemed on the Dissolution Event Redemption Date specified in such notice at the Dissolution Event Amount specified in, or determined in the manner specified in, the applicable Final Terms, together with all unpaid Periodic Distribution Amounts (if any) accrued to (but excluding) the Dissolution Event Redemption Date.

A non-interest bearing Transaction Account in London will be established in the name of the Trustee in respect of each Series of Trust Certificates. Monies received in the Transaction Account in respect of each Series will, *inter alia*, comprise payments corresponding to Periodic Distribution Amounts and/or Dissolution Amounts immediately prior to each Periodic Distribution Date and/or any Dissolution Date, as the case may be. The Master Declaration of Trust provides that all moneys standing to the credit of the Transaction Account from time to time in respect of each Series will be applied in the manner set out in Condition 5 (*The Trust*).

In the Master Declaration of Trust, the Government has undertaken that: (i) it shall irrevocably and unconditionally fully accept all or any ownership interest the Trustee may have in the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets, as the case may be and, accordingly, shall not dispute or challenge all or any ownership interest the Trustee may have in the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets as the case may be, in any way; (ii) if, at the time of delivery of the Exercise Notice in accordance with the provisions of the Purchase Undertaking, the Government remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets (each as defined in the Purchase Undertaking), as the case may be; and (iii) if, following delivery of the Exercise Notice in accordance with the provisions of the Purchase Undertaking, the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Government shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of

the Trust Certificates then outstanding or the Certificateholder Put Right Trust Certificates or the Tangibility Event Put Right Certificates (each as defined in the Purchase Undertaking), as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be. Payment of an amount equal to the Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, into the Transaction Account in accordance with the Purchase Undertaking shall evidence the acceptance by the Government of the Exercise Notice delivered in accordance with the provisions of the Purchase Undertaking and the conclusion of the transfer and conveyance of all of the Trustee's rights, title and interests in, to and under the relevant Lease Asset(s), the Certificateholder Put Right Lease Asset(s) or the Tangibility Event Put Right Lease Asset(s), as the case may be, to the Government, and shall constitute full discharge of the obligation of the Government to pay the relevant Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, to the Trustee (or for the benefit of the Certificateholders).

The Government has further undertaken that, if the outstanding Deferred Sale Price is not paid on the relevant Dissolution Date in accordance with the provisions of the Master Murabaha Agreement for any reason whatsoever, the Government shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Trust Certificates then outstanding and, accordingly, the amount payable under any such indemnity claim will equal the outstanding Deferred Sale Price.

In addition, if the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 12 (*Taxation*), the Government has undertaken that it will unconditionally and irrevocably (irrespective of the payment of any fee), as a continuing obligation, pay to or to the order of the Delegate (for the benefit of the Certificateholders) an amount equal to the liability of the Trustee in respect of any and all additional amounts required to be paid by the Trustee in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*).

Master Purchase Agreement

The Master Purchase Agreement was entered into on 18 July 2025 between the Trustee (in its capacity as purchaser), the Government (in its capacity as seller) and the Delegate and is governed by the laws of the Emirate of Sharjah and, to the extent applicable in the Emirate of Sharjah, the federal laws of the United Arab Emirates. A Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of the relevant Tranche (including any additional Tranche of Trust Certificates issued pursuant to Condition 23 (*Further Issues*) (an "**Additional Tranche**")) of Trust Certificates and will also be governed by the laws of the Emirate of Sharjah and, to the extent applicable in the Emirate of Sharjah, the federal laws of the United Arab Emirates.

Pursuant to the Purchase Agreement, the Government (in its capacity as seller) may, from time to time, sell, transfer and convey to the Trustee (in its capacity as purchaser), and the Trustee may, from time to time, purchase and accept the transfer and conveyance from the Government of, all of the Government's rights, title and interests in, to and under (a) on the Issue Date of the first Tranche of a Series, the relevant Asset(s); and (b) on the Issue Date of any Additional Tranche, the "**Additional Asset(s)**", in each case pursuant to a Supplemental Purchase Agreement which will, among other things, specify the Asset(s) or Additional Asset(s), as the case may be, being sold and the price to be paid for them.

Master Lease Agreement

The Master Lease Agreement was entered into on 18 July 2025 between the Trustee (in its capacity as lessor), the Government (in its capacity as lessee) and the Delegate and is governed by the laws of the Emirate of Sharjah and, to the extent applicable in the Emirate of Sharjah, the federal laws of the United Arab Emirates. A Supplemental Lease Agreement between the same parties will be entered into on the Issue Date of the first Tranche of a Series and will also be governed by the laws of the Emirate of Sharjah and, to the extent applicable in the Emirate of Sharjah, the federal laws of the United Arab Emirates.

Pursuant to the Lease Agreement, the Trustee (in its capacity as lessor) may, from time to time, agree to lease to the Government (in its capacity as lessee), and the Government may, from time to time, agree to lease from the Trustee, certain Lease Asset(s) during renewable rental periods commencing on the Lease Commencement Date (which shall be the relevant Issue Date) and extending to the Scheduled Dissolution Date (unless the relevant Supplemental Lease Agreement is terminated earlier in accordance with its terms or extended in accordance with the Purchase Undertaking).

No later than 10.00 am London time two business days prior to the completion of each rental period the Trustee (in its capacity as lessor) (or its agent) shall send a rental notice to the Government (in its capacity as lessee). Such rental notice shall be irrevocable and the Government (in its capacity as lessee) agrees that, unless it rejects such notice prior to 10.00 a.m. (London time) on the Business Day immediately prior to the completion of such rental period (in which case it acknowledges that it will be in breach of its undertaking to irrevocably and unconditionally lease from the Trustee (in its capacity as lessor) for the lease term) it will be deemed to have accepted each such rental notice. Where there is any delay or failure by the Trustee (in its capacity as lessor) in delivering a rental notice, the Rental for the relevant rental period shall accrue at the same rate as the Rental for the immediately preceding rental period.

On each "**Additional Servicing Agency Expenses Request Date**" (being the date on which the Government (in its capacity as servicing agent) submit to the Trustee (in its capacity as lessor) or its agent a request for the Trustee's (in its capacity as lessor) approval of the Government (in its capacity as servicing agent) incurring or paying any proposed liability comprising an additional servicing agency expense prior to incurring or paying such proposed liability provided that any such submission in a rental period must be made by no later than four business days prior to the end of that rental period), the Trustee (in its capacity as lessor) shall notify the Government (in its capacity as lessee) in writing that it is requested to pay to the Trustee (in its capacity as lessor) on the first business day of the first rental period commencing after the Additional Servicing Agency Expenses Request Date an amount of additional supplementary rental in respect of that rental period (as shall also be specified in the relevant rental notice) equal to the relevant additional servicing agency expenses proposed to be incurred in the rental period in which such Additional Servicing Agency Expenses Request Date falls. Such notice shall be irrevocable and the Government (in its capacity as lessee) hereby agrees that, unless it rejects such notice within one Business Day of such Additional Servicing Agency Expenses Request Date (in which case it acknowledges that such rejection will constitute a Government Event), it will be deemed to have approved such notice as and when delivered and agreed to pay the requested amount of additional supplementary rental in accordance with such notice and the relevant rental notice.

The Government (in its capacity as lessee) will agree to use the relevant Lease Asset(s) at its own risk. Accordingly, the Government shall from the date of the relevant Supplemental Lease Agreement bear the entire risk of loss of or damage to the relevant Lease Asset(s) or any part thereof arising from the usage or operation thereof by it to the extent that such loss or damage has resulted from the Government's gross negligence, wilful default, actual fraud, or breach of its obligations under the relevant Supplemental Lease Agreement. In addition, the Trustee (in its capacity as lessor) shall not be liable (and the Government (in its capacity as lessee) will waive any claim or right, howsoever arising, to the contrary) for any indirect, consequential or other losses, howsoever arising, in connection with the Government's use or operation of the relevant Lease Asset(s).

If a Total Loss Event shall occur with respect to the Lease Asset(s), then, without prejudice to any right or remedy the Lessor may have under any Transaction Document or by law:

- (a) the Lease shall automatically terminate (provided that the Lease shall recommence if the Lease Asset(s) have been replaced pursuant to the Servicing Agency Agreement by the 60th day following such Total Loss Event from and including the date on which the relevant amendment agreement substantially in form set out in the relevant Supplemental Lease Agreement (the "**Lease Asset(s) Amendment Agreement**") is entered into); and;
- (b) further Rental payments shall cease to accrue under the relevant Supplemental Lease Agreement from the date of occurrence of the Total Loss Event (provided that Rental payments shall recommence if the Lease Asset(s) have been replaced pursuant to the Servicing Agency Agreement by the 60th day following such Total Loss Event from and including the date of the relevant Lease Asset(s) Amendment Agreement;
- (c) the Lessee will pay, on the Payment Business Day immediately preceding the Rental Payment Date that would have occurred immediately after the date of such Total Loss Event but for the occurrence of that Total Loss Event, in accordance with the relevant Supplemental Lease Agreement, any Rental that has accrued up to (but excluding) the date of the Total Loss Event and remains unpaid. The obligation of the Lessee to pay such Rental shall survive the termination of the relevant Supplemental Lease Agreement; and
- (d) the Lessee irrevocably undertakes to pay the Lessor the Rental which would have accrued had such Total Loss Event not occurred on the original Rental Payment Dates for such Rental as a

forward (or advance) rental payment during the period from the date of occurrence of the Total Loss Event to the earlier of the Replacement Date or the Total Loss Dissolution Date, as the case may be, on an on-account basis (each such forward (or advance) payment of Rental being an "**Advance Rental Payment**"). In the event that the Lease Asset(s) are replaced with Replacement Lease Asset(s) and the Lease recommences in accordance with paragraph (a) above, such Advance Rental Payment shall be adjusted against the first Rental payable in relation to the leasing of the Replacement Lease Asset(s). In the event that the Lease Asset(s) are not replaced with Replacement Lease Asset(s), the Lessor shall refund to the Lessee each such Advance Rental Payment which refund may be funded by the Lessor from the proceeds of Insurances procured by the Servicing Agent and/or from the Loss Shortfall Amount pursuant to the Servicing Agency Agreement.

If a Partial Loss Event shall occur with respect to any of the Lease Asset(s) and provided that:

- (a) the Lease Assets have not been replaced pursuant to the Servicing Agency Agreement and a notice of termination of the Lease on the 61st day after the Partial Loss Event Date (a "**Partial Loss Termination Notice**") has been delivered by the Government (in its capacity as lessee) to the Trustee (in its capacity as lessor) within a period of 31 days after the Partial Loss Event Date; or
- (b) such Lease Assets have not been replaced pursuant to the Servicing Agency Agreement, the Lessee has failed to give a Partial Loss Termination Notice by no later than the 31st day after the relevant Partial Loss Event Date or otherwise expressly waived its right to give such notice,

then, without prejudice to any right or remedy that the Trustee (in its capacity as lessor) may have under any Transaction Document or by law, the Lease shall terminate on the 61st day after the Partial Loss Event Date (the "**Partial Loss Termination Date**") and: (i) further Rental shall cease to accrue from the Partial Loss Termination Date in accordance with the Supplemental Lease Agreement; (ii) the Government (in its capacity as lessee) will pay on the relevant Partial Loss Termination Date any Rental that has accrued up to the Partial Loss Termination Date that remains unpaid subject to the Government's (in its capacity as lessee) right to any Rental Reimbursement Amount; and (iii) the Trustee (in its capacity as lessor) will be entitled to all proceeds of Insurances payable as a result of the Partial Loss Event.

For the avoidance of doubt, if the Government (in its capacity as lessee) does not issue a Partial Loss Termination Notice within 31 days after the Partial Loss Event Date, or it expressly waives such right, it shall be not be entitled to exercise such right thereafter.

Provided that the requirements of the Supplemental Lease Agreement have been satisfied, by no later than the earlier of (a) the 31st day after the Partial Loss Event Date; and (b) the date on which the relevant Lease Asset(s) are replaced pursuant to the Servicing Agency Agreement (the "**Replacement Date**"), the Government (in its capacity as lessee) may request a proportionate reduction in Rental by way of reimbursement of the Rental applicable solely to the period from and including the Partial Loss Event Date to but excluding the earlier of: (a) the relevant Replacement Date; and (b) the 61st day after the Partial Loss Event Date to take into account the impairment suffered in relation to the Impaired Lease Asset(s) (the "**Rental Reimbursement Amount**"), provided that the Partial Loss Event relating to such Impaired Lease Asset(s) has not arisen as a result of the Government's (in its capacity as lessee) negligence or misconduct (such request, being a "**Rental Reimbursement Request**"). If a Rental Reimbursement Request is made in accordance with this paragraph, the Trustee (in its capacity as lessor) shall procure the payment of the Rental Reimbursement Amount to the Lessee on the 61st day after the Partial Loss Event Date. The Lessor may procure the payment of the Rental Reimbursement Amount by the Government (in its capacity as servicing agent) (on its behalf) to the Government (in its capacity as lessee) from: (a) the proceeds of any Insurances (if any) in respect of the relevant Partial Loss Event paid in accordance with the Servicing Agency Agreement and/or (b) (to the extent the proceeds of such Insurances (if any) are insufficient) any Loss Shortfall Amount or Partial Loss Shortfall Amount paid in respect of the relevant Partial Loss Event in accordance with the Servicing Agency Agreement.

For the avoidance of doubt if, following a Partial Loss Event, the Lease is not terminated pursuant to the Supplemental Lease Agreement and whether or not a Rental Reimbursement Request is made, then the terms of the Lease, including the amount of Rental, shall continue on the same terms as which applied prior to the occurrence of the Partial Loss Event.

The Government (in its capacity as lessee) has undertaken in the Master Lease Agreement, in relation to each Series, that it shall maintain actual or constructive possession, custody or control of all of the Lease

Asset(s) from the date of the Master Lease Agreement until the satisfaction in full of all its obligations under the Transaction Documents to which it is a party in respect of each Series.

Under the Supplemental Lease Agreement, the Government (in its capacity as lessee) will agree to be responsible, at its own cost and expense, for the performance of all ordinary maintenance and repair required for any relevant Lease Asset(s). The Trustee (in its capacity as lessor) shall be responsible for: (i) the performance of all major maintenance and structural repair; (ii) the payment of any proprietorship or other relevant taxes (excluding all taxes that are by law imposed, charged or levied against a lessee or a tenant); and (iii) insuring any relevant Lease Asset(s) in accordance with the Servicing Agency Agreement, and the Government (in its capacity as lessee) will acknowledge that the Trustee (in its capacity as lessor) may procure that the Servicing Agent, in accordance with the terms and conditions set out in the Servicing Agency Agreement, shall perform, or shall procure the performance of, the major maintenance and structural repair, the payment of such taxes and the insurance of such relevant Lease Asset(s), on behalf of the Trustee (in its capacity as lessor).

All payments by the Government (in its capacity as lessee) to the Trustee (in its capacity as lessor) under each Lease Agreement shall be made in the Specified Currency without set-off (except as provided in the Supplemental Lease Agreement) or counterclaim of any kind and free and clear of, and without any deduction or withholding for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, unless the withholding or deduction is required by law. In that event, the Government (in its capacity as lessee) will agree under the relevant Supplemental Lease Agreement to pay such additional amounts as will result in the receipt by or on behalf of the Trustee (in its capacity as lessor) of such amounts as would have been received by it had no such deduction or withholding had been required.

The Government (in its capacity as lessee) will ensure that its payment obligations under each Supplemental Lease Agreement are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 4.2 (*Negative Pledge*)) unsecured obligations of the Government and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 4.2 (*Negative Pledge*)) at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Government from time to time outstanding, provided, further, that the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due under the Lease Agreement and *vice versa*.

Servicing Agency Agreement

The Servicing Agency Agreement was entered into on 18 July 2025 between the Trustee (in its capacity as lessor), the Government (in its capacity as servicing agent) and the Delegate, and is governed by English law.

Pursuant to the Servicing Agency Agreement, the Government (as servicing agent) will be responsible on behalf and on account of the Trustee (in its capacity as lessor) for the carrying out of all major maintenance and structural repair, the payment of proprietorship taxes (if any) charged, levied or claimed in respect of the Lease Asset(s) by any relevant taxing authority, for effecting all appropriate Insurances in respect of the Lease Asset(s) and the appointment of a *Shari'a* adviser.

The Servicing Agent irrevocably undertakes with the Trustee (in its capacity as lessor) that the Servicing Agent, on behalf and on account of the Trustee (in its capacity as lessor), will:

- (a) ensure that the Lease Asset(s) of the relevant Series are, so long as any Trust Certificates of that Series are outstanding, are at all times properly insured (the "**Insurances**") (through brokers and with reputable insurance companies in good financial standing) to the extent consistent with general industry practice by prudent owners of similar assets, and in addition against each Loss Event. The Servicing Agent undertakes to ensure that the insured amount relating to each Loss Event will, at all times, be at least equal to the Full Reinstatement Value;
- (b) promptly make a claim in respect of each loss relating to the Lease Asset(s) in accordance with the terms of the Insurances;

- (c) ensure that, in the event of a Loss Event occurring in respect of a Series, unless the relevant Lease Asset(s) that are the subject of such Loss Event are replaced pursuant to the Servicing Agency Agreement, all proceeds of the Insurances against such Loss Event are in an amount equal to the applicable Full Reinstatement Value, subject to the provisions of the Servicing Agency Agreement, and are paid in the Specified Currency directly into the Transaction Account by no later than the 60th day after the occurrence of the Loss Event and that the insurers are directed accordingly; and
- (d) if within 60 days of the Issue Date of the first Tranche of each Series and for any reason the Servicing Agent is not in compliance with paragraph (a) above, immediately deliver written notice to the Trustee and the Delegate of such non-compliance and the details thereof.

The delivery of the notice referred to in paragraph (d) to the Trustee and the Delegate in relation to non-compliance with paragraph (a) above shall constitute a Dissolution Event.

If, a Loss Event has occurred in relation to a Series and if:

- (a) the notice referred to in paragraph (d) above has not been delivered by the Servicing Agent to the Trustee and the Delegate within 60 days of the Issue Date of the first Tranche of the relevant Series and prior to the occurrence of such Loss Event;
- (b) the Lease Asset(s) have not been replaced in accordance with the Servicing Agency Agreement; and
- (c) the amount (if any) paid into the Transaction Account pursuant to paragraph (c) above is less than the applicable Full Reinstatement Value (the difference between the applicable Full Reinstatement Value and the amount paid into the Transaction Account being the "**Loss Shortfall Amount**"),

then, subject to the terms of the Servicing Agency Agreement, the Servicing Agent undertakes to pay (in same day, freely transferable, cleared funds) the Loss Shortfall Amount directly to the Transaction Account by no later than close of business in London on the 61st day after the occurrence of the Loss Event. Subject to paying such Loss Shortfall Amount in accordance with this paragraph together with the proceeds of Insurance, there will be no further claim against the Servicing Agent for failing to comply with its insurance obligations in respect of the relevant Loss Event.

The Servicing Agency Agreement provides that if on the occurrence of a Loss Event (other than in respect of a Partial Loss Event where a Partial Loss Termination Notice has been delivered pursuant to the Lease Agreement) the Servicing Agent receives notice from the Government that replacement real estate asset(s) located in Sharjah (the "**Replacement Lease Asset(s)**") are available on or before the 60th day after the occurrence of the Loss Event, the Servicing Agent shall notify the Trustee of the same. Immediately following receipt of such notice, the Trustee may purchase such Replacement Lease Asset(s) from the Government by way of the payment by the Government (in its capacity as servicing agent) on behalf of the Trustee of the proceeds of the Insurances (or the assignment of the rights to such proceeds) to or to the order of the Government and the transfer to the Government by the Trustee of any residual interest it may hold in the relevant Lease Asset(s) (including any remaining rights in respect of any proceeds of the Insurances), in each case, on the terms and subject to the conditions of an agreement substantially in the form of a Supplemental Purchase Agreement in consideration for the sale, transfer and conveyance by the Government of the Replacement Lease Asset(s) to the Trustee.

"**Full Reinstatement Value**" shall be an amount in the Specified Currency equal to, in relation to each Series: (a) in the case of a Total Loss Event: (i), the aggregate face amount of the Trust Certificates of the relevant Series then outstanding for the relevant Series plus all accrued but unpaid Periodic Distribution Amounts relating to such Trust Certificates up to but excluding the date on which the Total Loss Event occurs; plus, (ii) an amount equal to the Periodic Distribution Amounts relating to such Trust Certificates, which would have accrued (had a Total Loss Event not occurred) during the period beginning on the date on which the Total Loss Event occurs and ending on, but excluding, the earlier of the applicable Dissolution Date or the 61st day after the occurrence of the Total Loss Event; plus, (iii) without duplication or double counting, an amount representing any outstanding amounts payable by Sharjah Sukuk Programme Limited (in any capacity) under the Transaction Documents to which it is a party (including but not limited to an amount equal to any outstanding Additional Servicing Agency Expenses in respect of which the Lessee has agreed to make a corresponding payment of Additional Supplementary Rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement) provided that, in the case of any amounts payable pursuant to Condition 5.2(a), the Government

has received notification from the Delegate, Agent and/or Appointee of such amounts by not later than the third Business Day prior to the 60th day after the occurrence of the Total Loss Event), less; (iv) if any, the aggregate amounts of each Deferred Sale Price then outstanding in respect of the relevant Series; and (b) in the case of a Partial Loss Event, the aggregate of: (i) the aggregate Value of the Impaired Lease Asset(s); plus, an amount equal to any Rental Reimbursement Amount payable to the Lessee in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement in relation to such Partial Loss Event.

The "**Service Charge Amount**" payable to the Government (in its capacity as servicing agent) shall be an amount equal to, in respect of a rental period, the aggregate of all payments and liabilities made or incurred by the Servicing Agent during such rental period in respect of the services provided under the Servicing Agency Agreement in relation to the relevant Lease Asset(s) as notified by the Servicing Agent to the Trustee (in its capacity as lessor) in accordance with the Servicing Agency Agreement, except for any payments or liabilities which comprise Additional Servicing Agency Expenses.

In relation to each Series, the Servicing Agent shall ensure that the Tangible Asset Ratio shall, at all times after the Issue Date of the first Tranche of such Series remain more than 50 per cent., and, in each case, the Servicing Agent shall be permitted to take any steps as may be required to maintain such Tangible Asset Ratio and, if, at any time, the Tangible Asset Ratio, other than as a result of the occurrence of a Loss Event, falls: (i) to 50 per cent. or less (but is 33 per cent. or more), the Servicing Agent shall take any and all steps (in consultation with the *Shari'a* Adviser) as may be required to ensure such Tangible Asset Ratio is restored to more than 50 per cent. within the time period determined by the *Shari'a* Adviser; and below (ii) 33 per cent. (such event being a "**Tangibility Event**") promptly upon the Servicing Agent becoming aware of the Tangibility Event occurring, the Servicing Agent shall send a Tangibility Event Trustee Notice notifying the Trustee and the Delegate of such occurrence and requesting the Trustee to promptly deliver a Tangibility Event Notice to the relevant Certificateholders in accordance with Condition 10.6.

In relation to each Series: (a) if, as a result of a Partial Loss Event, the ratio of: (i) the Value of the Lease Asset(s) of that Series (which for this purpose shall exclude any Impaired Lease Asset(s)); to (ii) the aggregate of the Value of the Lease Asset(s) of that Series and, if applicable for such Series, the aggregate amounts of Deferred Sale Price then outstanding applicable to such Series at such time falls below 33 per cent.; or (b) following the occurrence of a Total Loss Event, the Servicing Agent shall promptly upon becoming aware of any such occurrence, notify the Trustee, and upon such notification, the Trustee shall promptly deliver a notice to the relevant Certificateholders in accordance with Condition 18 (*Notices*) specifying: (i) the occurrence of such event; and (ii) that from the date of such notice, and until any further notice from the Trustee, in consultation with the *Shari'a* Adviser, stating otherwise, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); and (iii) that, on the date of such notice an application will be made for the Trust Certificates of the relevant Series to be delisted from any stock exchange (if any) on which such Trust Certificates have been admitted to trading or if such date is not a business day, on the next following business day ("**business day**" being, for this purpose, a day on which the stock exchange on which the Trust Certificates are admitted to listing is open for business).

Following replacement of the relevant Impaired Lease Asset(s) or Lease Asset(s) (as the case may be) in accordance with the Servicing Agency Agreement, the Servicing Agent shall notify the Trustee of the same and the Trustee shall promptly, following receipt of such notice from the Servicing Agent and in consultation with the *Shari'a* Adviser, deliver a notice to the relevant Certificateholders in accordance with Condition 17 (*Notices*) that (1) from the date of that notice the Trust Certificates of the relevant Series may be traded at any price; and (2) the Trust Certificates of the relevant Series shall be re-listed, as soon as reasonably practicable, on the stock exchange (if any) on which such Trust Certificates had previously been admitted to listing.

The Servicing Agency Agreement provides that the Servicing Agent shall appoint from the Issue Date of the first Tranche of each Series, and maintain from such date the appointment of, the *Shari'a* Adviser to monitor compliance with the Shariah standards of the Accounting and Auditing Organisation for Islamic Financial Institutions of the Transaction Documents and Trust Certificates and to advise the Servicing Agent on any *Shari'a* related matters relating to the Transaction Documents and the Trust Certificates and to provide guidance to the Servicing Agent as to the compliance of the terms of the Transaction Documents and the Trust Certificates with the requirements from time to time of the *Shari'a* standards of the Accounting and Auditing Organisation for Islamic Financial Institutions, in each case, upon request in writing by the Servicing Agent from time to time.

The Servicing Agent shall not incur or pay any liability in any rental period in respect of the Services to be performed in relation to the relevant Lease Asset(s) which, individually or in the aggregate, would exceed an amount that is separately agreed between the Trustee (in its capacity as lessor) and the Servicing Agent in relation to each Series (the "**All Expense Reserve Amount**" of the relevant Series and the amount by which such liability exceeds the All Expenses Reserve Amount being the "**Additional Servicing Agency Expenses**") unless: (a) a request for such incurrence or payment of Additional Servicing Agency Expenses has been made by the Servicing Agent to the Trustee (in its capacity as lessor) in accordance with the Servicing Agency Agreement; and (b) following such request, the Trustee (in its capacity as lessor) confirms to the Servicing Agent that such incurrence or payment is approved. If, during any rental period, the Servicing Agent incurs or pays such liability without first satisfying the foregoing conditions in (a) and (b) above, then it shall be deemed to have unconditionally agreed to satisfy, donate and pay all such liabilities from its own account and the Lessor shall have no responsibility whatsoever in connection with such liability.

The Servicing Agent shall submit to the Lessor or its agent the invoice or receipt for (or other evidence of payment or incurrence of) each liability comprising the Service Charge Amount, as soon as practicable after the payment or incurrence thereof. The Servicing Agent shall submit to the Lessor or its agent a request for the Lessor's approval of the Servicing Agent incurring or paying any proposed liability comprising an Additional Servicing Agency Expense prior to incurring or paying such proposed liability provided that any such submission in a rental period must be made by no later than four Business Days prior to the end of that rental period (the date of such notice being the "**Additional Servicing Agency Expenses Request Date**").

Subject to the terms of the relevant Master Lease Agreement and the relevant Supplemental Lease Agreement:

- (a) the Trustee (in its capacity as lessor) shall procure that an amount equal to the Service Charge Amount notified to it in accordance with the above paragraph is recorded in the Collection Account on the first business day of the first rental period commencing after the services invoice date; and
- (b) the Trustee (in its capacity as lessor) shall procure the reimbursement of the Servicing Agent for each Additional Servicing Agency Expense approved by recording such amount in the Collection Account on the first business day of the first rental period after the Additional Servicing Agency Expenses Request Date or, if the relevant Lease is terminated prior to such date, on the date of termination of such Lease.

An amount equal to an Additional Servicing Agency Expense shall not be reimbursed unless the Servicing Agent evidences the requirement for the payment or the incurrence of each liability comprising such Additional Servicing Agency Expense by delivering to the Trustee (in its capacity as lessor) quotations or other proper evidence of such requirement by no later than the Additional Servicing Agency Expenses Request Date.

The Servicing Agent shall ensure that its payment obligations under the Servicing Agency Agreement are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of the Servicing Agent and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in the Purchase Undertaking) at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Servicing Agent from time to time outstanding, provided, further, that the Servicing Agent shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due under the Servicing Agency Agreement and *vice versa*.

Purchase Undertaking

The Purchase Undertaking was executed on 18 July 2025 by the Government (in its capacity as obligor) as a deed in favour of the Trustee and the Delegate and is governed by English law.

In relation to each Series, provided that no Total Loss Event has occurred and is continuing in respect of the Lease Asset(s) of the relevant Series (or if a Total Loss Event has occurred, the Lease Assets have been replaced pursuant to the Servicing Agency Agreement), the Government (in its capacity as obligor) has irrevocably granted to the Trustee and the Delegate the right to require the Government to purchase, and accept the transfer and conveyance of, all of the Trustee's rights, title and interests in, to and under the

relevant Lease Asset(s) (or the applicable proportion thereof, as the case may be) upon the Trustee or the Delegate (on behalf of the Trustee) exercising its right thereunder and delivering an Exercise Notice to the Government in accordance with the terms of the Purchase Undertaking, on the relevant Scheduled Dissolution Date or, if earlier, on the Dissolution Event Redemption Date or the Certificateholder Put Right Date (if Certificateholder Put Right is specified as applicable in the applicable Final Terms) or the Tangibility Event Put Right Date at the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be.

The "**Exercise Price**", "**Certificateholder Put Right Exercise Price**" or "**Tangibility Event Put Right Exercise Price**" (as the case may be) payable by the Government (as obligor), in relation to each Series, shall be an amount in the Specified Currency equal to the aggregate of: (i) the aggregate face amount of the Trust Certificates then outstanding for the relevant Series or the Trust Certificates to be redeemed on the Certificateholder Put Right Date or the Tangibility Event Put Right Date, as the case may be, for the relevant Series; plus (ii) all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Trust Certificates; plus (iii) without duplication or double counting, if all of the Trust Certificates of the relevant Series are being redeemed in full, an amount representing any amounts payable by Sharjah Sukuk Programme Limited (in any capacity) under the Transaction Documents to which it is a party (including but not limited to, if all of the Trust Certificates of the relevant Series are being redeemed in full, an amount equal to any Additional Servicing Agency Expenses in respect of which the Lessee has agreed to make a corresponding payment of additional supplementary rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement) **provided that**, in the case of any amounts payable pursuant to Condition 5.2(a) (*Application of Proceeds from the Trust Assets*), the Government has received a notification from the Delegate of such amounts by not later than the third business day prior to the date on which the Exercise Notice is delivered plus, without duplication or double counting any other amounts payable on redemption of the Trust Certificates or the Trust Certificates to be redeemed on the Certificateholder Put Right Date or the Tangibility Event Put Right Date, as the case may be, as specified in the applicable Final Terms less, the aggregate amounts of Deferred Sale Price (or the applicable proportion thereof, as the case may be) then outstanding, if any in respect of the relevant Series.

The Government (in its capacity as obligor) has undertaken in the Purchase Undertaking that, in relation to any Series, it shall irrevocably and unconditionally fully accept such ownership interest the Trustee may have in the Lease Asset(s), the Certificateholder Put Right Lease Asset(s) or the Tangibility Event Put Right Lease Asset(s). The Government (in its capacity as obligor) has further undertaken in the Purchase Undertaking that if, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the Government remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets, as the case may be, and if, following delivery of the exercise notice in accordance with the provision of the Purchase Undertaking, the relevant Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Government shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Trust Certificates then outstanding or the Certificateholder Put Right Trust Certificates or the Tangibility Event Put Right Trust Certificates, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be. Payment of an amount equal to the relevant Exercise Price, the Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be into the Transaction Account in accordance with the Purchase Undertaking shall evidence the acceptance and conclusion of the purchase, transfer and conveyance of all of the Trustee's rights, title and interests in, to and under the Lease Asset(s), the Certificateholder Put Right Lease Asset(s) the Tangibility Event Put Right Lease Asset(s), as the case may be, to the Obligor, and constitute full discharge of the obligation of the Government (in its capacity as obligor) to pay the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, to the Trustee (or for the benefit of the Certificateholders).

The Government (in its capacity as obligor) will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made in the Specified Currency without set-off (except as provided below) or counterclaim of any kind and, free and clear of, any deduction or withholding for Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, unless required by law. In that event, the

Government (as obligor) shall pay such additional amounts as will result in the receipt by the Trustee of such amounts as would have been received by it had no withholding or deduction had been required.

The amount equal to the outstanding Additional Servicing Agency Expenses to be paid by the Government as part of the Exercise Price, Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, payable pursuant to the Purchase Undertaking in respect of which the Government (in its capacity as lessee) has agreed to make a corresponding payment of additional supplementary rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement, and any Additional Servicing Agency Expenses to be paid by the Trustee (in its capacity as lessor) pursuant to the Servicing Agency Agreement, shall be set off against one another and the obligation to pay that part of the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be pursuant to the exercise of the Purchase Undertaking, shall be discharged by such set-off.

The Government (in its capacity as obligor) will ensure that its payment obligations under the Purchase Undertaking are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of the Government and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in the Purchase Undertaking) at all times rank at least *pari passu*, with all other present and future unsecured and unsubordinated obligations of the Government, from time to time outstanding, provided, further, that the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due under the Purchase Undertaking and *vice versa*.

Under the Purchase Undertaking, the Government has undertaken that, for so long as any Trust Certificate remains outstanding, the Government (acting in any capacity) will not create or permit to subsist any Security Interest other than a Permitted Security Interest upon the whole or any part of its present or future assets or revenues to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of Relevant Indebtedness or a Relevant Sukuk Obligation, of any Person, without:

- (a) at the same time or prior thereto securing equally and rateably therewith its obligations under the Transaction Documents to which it is, in whatever capacity, a party; or
- (b) providing such other Security Interest for the obligations of the Government under the Transaction Documents to which it is a party as may be approved by an Extraordinary Resolution of the Certificateholders.

In addition, the Government has agreed that a Government Event shall constitute a Dissolution Event for the purposes of the Conditions.

Sale and Substitution Undertaking

The Sale and Substitution Undertaking was executed on 18 July 2025 by the Trustee as a deed in favour of the Government and is governed by English law.

In relation to each Series, provided that (1) no Total Loss Event has occurred and is continuing in respect of the Lease Asset(s) of the relevant Series (or if a Total Loss Event has occurred, the Lease Assets have been replaced pursuant to the Servicing Agency Agreement) and (2) if the Optional Dissolution Call Right has been specified in the applicable Final Terms as applicable (and if the Certificateholder Put Right has been specified in the applicable Final Terms as not applicable), such right shall not be exercisable until the date falling six months from the Issue Date of the first Tranche of such series unless otherwise approved in writing by the *Shari'a* Adviser, the Trustee has irrevocably granted to the Government the right to require the Trustee to sell, transfer and/or convey all of its rights, title and interests in, to and under the relevant Lease Asset(s) to the Government upon the Government exercising its right thereunder and delivering an Exercise Notice to the Trustee in accordance with the terms of the Sale and Substitution Undertaking, on the Tax Dissolution Date, Optional Dissolution Date or Clean Up Call Right Dissolution Date (as the case may be) at the Exercise Price.

The amount equal to any outstanding Additional Servicing Agency Expenses to be paid by the Government as part of any Exercise Price, in respect of which the Trustee (in its capacity as lessor) has agreed to make a corresponding payment of additional supplementary rental but such payment has not been made in accordance with the Master Lease Agreement and the Supplemental Lease Agreement and any outstanding

Additional Servicing Agency Expenses to be paid by the Trustee (in its capacity as lessor) pursuant to the Servicing Agency Agreement, shall be set off against one another, and the obligation to pay that part of the Exercise Price shall be discharged by such set-off.

In addition, under the terms of the Sale and Substitution Undertaking, if at any time the Government wishes to cancel any Trust Certificates purchased pursuant to Condition 11.1 (*Purchases*), the Government may, by exercising its right under the Sale and Substitution Undertaking and by delivering a Cancellation Notice to the Trustee in accordance with the terms of the Sale and Substitution Undertaking, oblige the Trustee to transfer all of its rights, title and interests in, to and under the Cancelled Lease Asset(s) to the Government in consideration for which the Trust Certificates purchased shall be cancelled subject to certain conditions set out in the Sale and Substitution Undertaking. Following such transfer, the Trustee shall forthwith surrender to the relevant Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date.

Furthermore, pursuant to the terms of the Sale and Substitution Undertaking, the Trustee has granted to the Government the right to require the Trustee to sell all of its rights, title and interests in, to and under the substituted Lease Asset(s) to it in exchange for the sale to the Trustee of new Lease Asset(s) subject to certain conditions set out in the Sale and Substitution Undertaking.

Master Murabaha Agreement

The Master Murabaha Agreement was entered into on 18 July 2025 between the Government (in its capacity as buyer, the "**Buyer**"), the Trustee (in its capacity as seller, the "**Seller**") and the Delegate and is governed by English law.

Pursuant to the Master Murabaha Agreement, the Seller may, on receipt of a duly completed purchase order from the Buyer in accordance with the terms of the Master Murabaha Agreement, purchase certain *Shari'ah*-compliant commodities on the Issue Date of the relevant Tranche. Following the purchase of the commodities by the Seller, and **provided that** the Seller has acquired title to, and actual or constructive possession thereof, the Seller may deliver to the Buyer by no later than the Issue Date a letter of offer and acceptance indicating the Seller's acceptance of the terms of the relevant purchase order made by the Buyer and detailing the terms of the offer for the sale of the commodities to the Buyer from the Seller.

Provided that the Buyer has received a duly completed letter of offer and acceptance and wishes to enter into a Murabaha Contract, the Buyer may accept the terms of, countersign and deliver to the Seller such letter of offer and acceptance in accordance with the Master Murabaha Agreement and purchase from the Seller the commodities acquired by the Seller for the Deferred Sale Price in accordance with the terms of the Master Murabaha Agreement on the relevant Issue Date.

As soon as the Buyer has countersigned the letter of offer and acceptance, a murabaha contract shall be created between the Seller and the Buyer upon the terms of the letter of offer and acceptance and incorporating the terms and conditions set out in the Master Murabaha Agreement, and the Seller shall sell and the Buyer shall purchase the relevant commodities on the terms set out in that letter of offer and acceptance and ownership (including, without limitation, the right of ownership from a *Shari'a* perspective) of and, upon the Buyer obtaining actual or constructive possession of the relevant commodities, all risks in and to the relevant commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

The Buyer has also agreed in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement will be made in the Specified Currency without set-off or counterclaim of any kind and, free and clear of, any deduction or withholding for Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, unless required by law. In that event, the Buyer shall pay such additional amounts as will result in the receipt by or on behalf of the Seller of such amounts as would have been received by it had no withholding or deduction had been made.

The Buyer will ensure that its payment obligations under the Master Murabaha Agreement are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of the Buyer and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in the Purchase Undertaking) at all times rank at least *pari passu*, with all other present and future unsecured and unsubordinated obligations of the Buyer, from time to time outstanding, provided, further, that the Buyer

shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due under the Master Murabaha Agreement and *vice versa*.

Shari'a Compliance

Each Transaction Document to which it is a party provides that each of Sharjah Sukuk Programme Limited and the Government of the Emirate of Sharjah, acting through the Sharjah Finance Department agrees that it has accepted the *Shari'a* compliant nature of the Transaction Documents to which it is a party and to the extent permitted by law, further agrees that:

- (a) it shall not claim that any of its obligations under the Trust Certificates and the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of *Shari'a*;
- (b) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Trust Certificates or the Transaction Documents to which it is a party; and
- (c) none of its obligations under the Trust Certificates and the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Trust Certificates or the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

TAXATION

The following is a general description of certain Cayman Islands and UAE tax considerations relating to the Trust Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Trust Certificates, whether in those jurisdictions or elsewhere. Prospective purchasers of Trust Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Trust Certificates and receiving payments under the Trust Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Cayman Islands

Under existing Cayman Islands laws, payments on Trust Certificates to be issued will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of the Trust Certificates, nor will gains derived from the disposal of the Trust Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Trust Certificates. However, an instrument transferring title to any Trust Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is U.S.\$1,128.05. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

UAE Taxation

Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Sharjah taxation in respect of payments on debt securities (including in relation to the Trust Certificates). In the event of the imposition of any withholding in the future, the Trustee has undertaken to gross-up any payments subject to certain limited exceptions.

U.S. Federal Income Taxation

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Trust Certificates by a U.S. Holder (as defined below). This summary deals only with purchasers of Trust Certificates that are U.S. Holders, acquire such Trust Certificates at initial issuance and will hold the Trust Certificates as capital assets (generally, property held for investment).

The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Trust Certificates by particular investors. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) partnerships, pass-through entities, or persons that hold Trust Certificates through pass-through entities; (viii) investors that hold Trust Certificates as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (ix) U.S. Holders that have a functional currency other than the U.S. Dollar; (x) persons required to accelerate the recognition of any item of gross income with respect to the Trust Certificates as a result of such income being recognised on an applicable financial statement; and (xi) U.S. expatriates and former long-term residents of the United States) all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address U.S. federal estate, gift or alternative minimum tax considerations, Medicare contribution tax on net investment income considerations, or non-U.S., state or local tax considerations.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Trust Certificates that is for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation created or organised in or under the laws of the United States or any state thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within

the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

If a partnership (or any other entity or arrangement treated as fiscally transparent for U.S. federal income tax purposes) holds Trust Certificates, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the U.S. federal income tax consequences to them of the acquisition, ownership and disposition of Trust Certificates.

This summary is based on the tax laws of the United States including the Internal Revenue Code of 1986 (the "**Code**") its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect where applicable and all of which are subject to change at any time, possibly with retroactive effect. No rulings have been or will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any of the matters discussed below, and no assurance can be given that the views of the IRS or a court with respect to those matters will not differ from those described below.

INVESTORS SHOULD CONSULT THEIR TAX ADVISERS TO DETERMINE THE TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF REGISTERED TRUST CERTIFICATES, INCLUDING THE APPLICATION TO THEIR PARTICULAR SITUATION OF THE U.S. FEDERAL INCOME TAX CONSIDERATIONS DISCUSSED BELOW.

Characterisation of the Trust Certificates

The Trustee generally intends to treat Trust Certificates issued under the Programme as debt, unless otherwise indicated in the supplemental U.S. federal income tax disclosure provided in a prospectus supplement or otherwise. However, the IRS could seek to recharacterise the Trust Certificates as equity interests in a trust for U.S. federal income tax purposes. Alternatively, the IRS could argue that the Trust Certificates should be treated as equity interests in a passive foreign investment company for U.S. federal income tax purposes. If the IRS were to assert either recharacterisation successfully, U.S. Holders could be subject to materially adverse tax consequences including additional information reporting requirements. The Trustee does not expect that it will provide to investors information relevant to such information reporting requirements if they were determined to be applicable. Prospective investors should consult their tax advisers as to the possibility of the Trust Certificates being recharacterised and the resulting U.S. federal income tax consequences if they were.

Payment of Periodic Distribution Amounts

General

Periodic Distribution Amounts paid on a Trust Certificate held by a U.S. Holder, including the payment of any additional amounts whether payable in U.S. Dollars or a currency other than U.S. Dollars ("**foreign currency**" Periodic Distribution Amounts on a "**Foreign Currency Trust Certificate**"), other than Periodic Distribution Amounts on a "Discount Trust Certificate" that is not "qualified stated interest" (each as defined below under "*Original Issue Discount — General*" below), will be taxable to such U.S. Holder as ordinary income at the time it is received or accrued, in accordance with the U.S. Holder's method of accounting for tax purposes. Periodic Distribution Amounts paid by the Trustee on the Trust Certificates and original issue discount ("**OID**"), if any, accrued with respect to the Trust Certificates (as described below under "*Original Issue Discount — General*" below) and payments of any additional amounts generally will constitute income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a U.S. Holder (and the limitations imposed thereon). Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of any foreign taxes with respect to the Trust Certificates (if applicable).

Pre-Issuance Accrued Periodic Distribution Amounts

If a portion of the price paid for a Trust Certificate is allocable to Periodic Distribution Amounts that accrued prior to the date the Trust Certificate is issued ("**pre-issuance accrued Periodic Distribution Amounts**"), the Trustee intends to take the position that, on the first Periodic Distribution Date, a portion of the Periodic Distribution Amounts received in an amount equal to any pre-issuance accrued Periodic Distribution Amounts will be treated as a return of the pre-issuance accrued Periodic Distribution Amounts. Amounts treated as a return of pre-issuance accrued Periodic Distribution Amounts should not be taxable

when received. A U.S. Holder's tax basis in a Trust Certificate will be reduced by the amount of any non-taxable return of pre-issuance Periodic Distribution Amounts. The remainder of this discussion assumes that in determining the issue price of a Trust Certificate and the amount paid for a Trust Certificate, there will be excluded an amount equal to the pre-issuance Periodic Distribution Amounts. U.S. Holders should consult their tax advisers with regard to the tax treatment of the pre-issuance accrued Periodic Distribution Amounts on a Trust Certificate.

Original Issue Discount

General

The following is a summary of certain U.S. federal income tax consequences to a U.S. Holder of the ownership of Trust Certificates issued with OID. The following summary does not discuss Trust Certificates that are characterised as contingent payment debt instruments for U.S. federal income tax purposes ("CPDIs"). If Trust Certificates are issued that are characterized as CPDIs, supplemental U.S. federal income tax disclosure may be separately provided in a prospectus supplement or otherwise.

A Trust Certificate, other than a Trust Certificate with a term of one year or less (a "**Short-Term Trust Certificate**"), will be treated as issued with OID (a "**Discount Trust Certificate**") if the excess of the Trust Certificate's "stated redemption price at maturity" (as defined below) over its issue price is at least a *de minimis* amount (generally, 0.25 per cent. of the Trust Certificate's stated redemption price at maturity multiplied by the number of complete years to its Scheduled Dissolution Date). A Trust Certificate that provides for the payment of amounts other than qualified stated interest before its Scheduled Dissolution Date (an "**instalment obligation**") generally will be treated as a Discount Trust Certificate if the excess of the Trust Certificate's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Trust Certificate's stated redemption price at maturity multiplied by the weighted average maturity of the Trust Certificate. A Trust Certificate's weighted average maturity is the sum of the following amounts determined for each payment on a Trust Certificate (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Trust Certificate's stated redemption price at maturity. Generally, the "**issue price**" of a Trust Certificate under the applicable Final Terms will be the first price at which a substantial amount of such Trust Certificates included in the issue of which the Trust Certificate is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The "**stated redemption price**" at maturity of a Trust Certificate is the total of all payments provided by the Trust Certificate that are not payments of "qualified stated interest". A "**qualified stated interest**" payment generally is any one of a series of payments of Periodic Distribution Amounts on a Trust Certificate that are unconditionally payable in cash or in property (other than in debt instruments of the Trustee) at least annually at a single fixed rate applied to the outstanding face amount of the Trust Certificate (with certain exceptions for lower rates paid during some periods). Solely for the purposes of determining whether a Trust Certificate has OID, the Trustee will be deemed to exercise any call option that has the effect of decreasing the yield on the Trust Certificate, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Trust Certificate. Talk to your own advisers about the applicability of these rules to a particular Trust Certificates.

If a Trust Certificate has *de minimis* OID, a U.S. Holder must include the *de minimis* amount in income as payments of face amounts are made on the Trust Certificate, unless the U.S. Holder makes the election described below under "*Election to Treat All Periodic Distribution Amounts as Original Issue Discount*" below. A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Trust Certificate's *de minimis* OID by a fraction equal to the amount of the payment of face amounts made divided by the face amount of the Trust Certificate.

U.S. Holders of Discount Trust Certificates must include OID in income calculated on a constant yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Trust Certificates. The amount of OID includible in income by a U.S. Holder of a Discount Trust Certificate is the sum of the daily portions of OID with respect to the Discount Trust Certificate for each day during the taxable year or the portion of the taxable year in which the U.S. Holder holds the Discount Trust Certificate ("**accrued OID**"). The daily portion is determined by allocating to each day in any accrual period a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Trust Certificate may be of any length selected by the U.S. Holder and may vary in length over the term of the Trust Certificates as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of Periodic Distribution Amounts or face

amounts on the Trust Certificate occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Trust Certificate's adjusted issue price at the beginning of the accrual period and the Discount Trust Certificate's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Trust Certificate allocable to the accrual period. The "**adjusted issue price**" of a Discount Trust Certificate at the beginning of any accrual period is the issue price of the Trust Certificate increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Trust Certificate that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Trust Certificate for an amount less than or equal to the sum of all amounts payable on the Trust Certificate after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "*Election to Treat All Periodic Distribution Amounts as Original Issue Discount*" below, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Trust Certificate immediately after its purchase over the Trust Certificate's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Trust Certificate after the purchase date, other than payments of qualified stated interest, over the Trust Certificate's adjusted issue price.

Election to Treat All Periodic Distribution Amounts as Original Issue Discount

A U.S. Holder may elect to include in gross income all Periodic Distribution Amounts that accrue on a Trust Certificate using the constant yield method described above under "*General*" above, with certain modifications. For purposes of this election, interest includes Periodic Distribution Amounts, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under "*Original Issue Discount — Trust Certificates Purchased at a Premium*" below) or acquisition premium. If a U.S. Holder makes this election for the Trust Certificate, then, when the constant yield method is applied, the issue price of the Trust Certificate will equal the U.S. Holder's adjusted basis immediately after its acquisition of the Trust Certificate, the issue date of the Trust Certificate will be the date of acquisition, and no payments on the Trust Certificate will be treated as payments of qualified stated interest. This election generally will apply only to the Trust Certificate with respect to which it is made and may not be revoked without the consent of the IRS. However, if the Trust Certificate has amortisable bond premium, the U.S. Holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortisable bond premium, other than debt instruments the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies or any taxable year thereafter. If the election to apply the constant yield method to all Periodic Distribution Amounts on a Trust Certificate is made with respect to a Market Discount Trust Certificate, the electing U.S. Holder will be treated as having made the election discussed below under "*Market Discount*" below to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Short-Term Trust Certificates

In general, an individual or other cash basis U.S. Holder of a Short-Term Trust Certificate is not required to accrue OID (calculated as set forth below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but should be required to include any Periodic Distribution Amounts in income as the Periodic Distribution Amounts are received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Trust Certificates on a straight line basis or, if the U.S. Holder so elects, under the constant yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or other disposition of the Short-Term Trust Certificate will be ordinary income to the extent of the OID accrued on a straight line basis (or a constant yield basis if an election is made to accrue the OID under the constant yield method) through the date of sale or other disposition. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Trust Certificates will be required to defer deductions for interest on borrowings allocable to Short-Term Trust Certificates in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all payments of Periodic Distribution Amounts on a Short-Term Trust Certificate are included in the Short-Term Trust Certificate's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Trust Certificate as if the Short-Term Trust Certificate had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Trust Certificate. This election shall apply to all debt instruments (including Trust Certificates) with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Market Discount

A Trust Certificate, other than a Short-Term Trust Certificate, generally will be treated as purchased at a market discount (a "**Market Discount Trust Certificate**") if the Trust Certificate's stated redemption price at maturity or, in the case of a Discount Trust Certificate, the Trust Certificate's revised issue price, exceeds the amount for which the U.S. Holder purchased the Trust Certificate by at least 0.25 per cent. of the Trust Certificate's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Trust Certificate's Scheduled Dissolution Date (or, in the case of a Trust Certificate that is an instalment obligation, the Trust Certificate's weighted average maturity). If this excess is not sufficient to cause the Trust Certificate to be a Market Discount Trust Certificate, then the excess constitutes *de minimis* market discount. For this purpose, the revised issue price of a Trust Certificate generally equals its issue price, increased by the amount of any OID that has accrued on the Trust Certificate and decreased by the amount of any payments previously made on the Trust Certificate that were not qualified stated interest payments.

Any gain recognised on the maturity or disposition of a Market Discount Trust Certificate (including any payment on a Trust Certificate that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Trust Certificate. Alternatively, a U.S. Holder of a Market Discount Trust Certificate may elect to include market discount in income currently over the life of the Trust Certificate. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Trust Certificate that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Trust Certificate that is in excess of the interest and OID on the Trust Certificate includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Trust Certificate was held by the U.S. Holder.

Market discount will accrue on a straight line basis unless the U.S. Holder elects to accrue the market discount on a constant yield method. This election applies only to the Market Discount Trust Certificate with respect to which it is made and is irrevocable.

Trust Certificates Purchased at a Premium

A U.S. Holder that purchases a Trust Certificate for an amount in excess of its face amount, or for a Discount Trust Certificate, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to Periodic Distribution Amounts on the Trust Certificate will be reduced by the amount of amortisable bond premium allocable (based on the Trust Certificate's yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount — Election to Treat All Periodic Distribution Amounts as Original Issue Discount*" above. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a capital loss when the Trust Certificates mature.

Sale or Other Disposition of Trust Certificates

A U.S. Holder's tax basis in a Trust Certificate generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Trust Certificate and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Trust Certificate, and reduced by (i) the amount of any payments

other than qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce taxable income on the Trust Certificate.

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Trust Certificate equal to the difference between the amount realised on the sale or other disposition and the tax basis of the Trust Certificate. Except to the extent described above under "*Original Issue Discount — Market Discount*" or "*Original Issue Discount — Short-Term Trust Certificates*" above or attributable to accrued but unpaid qualified stated interest or changes in exchange rates (as discussed below), gain or loss recognised on the sale or other disposition of a Trust Certificate will be capital gain or loss and generally will be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation. In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rates applicable to capital gain are currently lower than the maximum marginal rates applicable to ordinary income if the Trust Certificates have been held for more than one year at the time of the sale or other disposition. The deductibility of capital losses is subject to significant limitations.

Foreign Currency Trust Certificates

Periodic Distribution Amounts and OID

If a payment of Periodic Distribution Amounts is denominated in, or determined by reference to, a currency other than U.S. Dollars (a "**foreign currency**"), the amount of income recognised by a cash basis U.S. Holder will be the U.S. Dollar value of the payment of Periodic Distribution Amounts, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. Dollars. An accrual basis U.S. Holder may determine the amount of income recognised with respect to a Foreign Currency Trust Certificate in accordance with either of two methods.

Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year). Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if the last day of the accrual period is within five business days of the date of receipt of the accrued Periodic Distribution Amounts, a U.S. Holder that has made such election may translate accrued Periodic Distribution Amounts using the spot rate of exchange in effect on the date of receipt. The above election will apply to all debt obligations held by such U.S. Holder and may not be changed without the consent of the IRS. A U.S. Holder will recognize, as ordinary income or loss, foreign currency exchange gain or loss with respect to accrued income on the date the Periodic Distribution Amounts are actually or constructively received, reflecting fluctuations in currency exchange rates between the spot rate of exchange used to determine the accrued income for the relevant accrual period and the spot rate of exchange on the date Periodic Distribution Amounts are actually or constructively received.

OID for each accrual period on a Discount Trust Certificate that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. Dollars in the same manner as Periodic Distribution Amounts accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment of Periodic Distribution Amounts or the sale or other disposition of the Trust Certificate), a U.S. Holder may recognise foreign exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

Market Discount

Market discount on a Trust Certificate that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. Dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued Periodic Distribution Amounts or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Trust Certificate, the U.S. Dollar

value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Trust Certificate that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce taxable income in units of the foreign currency.

On the date bond premium offsets taxable income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount of offset multiplied by the difference between the spot rate in effect on that date, and the spot rate in effect on the date the Trust Certificates were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account will recognise a capital loss when the Trust Certificate matures.

Sale or Other Disposition of Trust Certificates

A U.S. Holder's tax basis in a Foreign Currency Trust Certificate will be determined by reference to the U.S. Dollar cost of the Trust Certificate.

The amount realised on the sale, exchange, redemption or retirement of a Trust Certificate denominated in a Foreign Currency is treated as currency exchange gain or loss to the extent attributable to fluctuations in exchange rates between the time the Trust Certificate was acquired and the date of disposition. This exchange gain or loss will equal the difference between the U.S. Dollar value of the face amount of the Trust Certificates on the date of disposition or receipt of redemption proceeds, as applicable, and the U.S. Dollar value of the face amount on the date the U.S. Holder acquired the Trust Certificate. This exchange gain or loss will be realised only to the extent of the total gain or loss realised by a U.S. Holder on the disposition or retirement of the Trust Certificate and will be treated as ordinary income or loss. Aggregate gain or loss in excess of exchange gain or loss on a Trust Certificate will generally be treated as U.S. source capital gain or loss.

Foreign Tax Credit Considerations

If non-U.S. taxes were to be imposed on payments with respect to the Trust Certificates, see "*Taxation — Cayman Island*" and "*Taxation — UAE Taxation*" above, subject to applicable limitations and holding period requirements, a U.S. Holder may be eligible to elect to claim a credit against its U.S. federal income tax liability for any such non-U.S. taxes. A U.S. Holder that does not claim a U.S. foreign tax credit generally may instead claim a deduction for any such non-U.S. taxes, but only for any taxable year in which such U.S. Holder elects to do so with respect to all non-U.S. income taxes. The rules relating to foreign tax credits are very complex, and recent changes to the foreign tax credit rules, introduced additional requirements and limitations (although the application of some of these changes has been deferred pending further guidance); each U.S. Holder should consult its own tax advisers regarding the application of such rules and the creditability or deductibility of any non-U.S. taxes.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments of Periodic Distribution Amounts in respect of the Trust Certificates and the proceeds from sale, exchange or disposition of the Trust Certificates held by a U.S. Holder unless the U.S. Holder establishes, if required, that it is exempt from the information reporting rules, for example by properly establishing that it is a corporation. If the U.S. Holder does not establish that it is exempt from these rules, the U.S. Holder may be subject to backup withholding on these payments if it fails to provide a taxpayer identification number or otherwise comply with the backup withholding rules.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, **provided that** the required information is timely furnished to the IRS.

U.S. Holders should consult their advisers regarding any tax reporting or filing requirements they may have as a result of the acquisition, ownership or disposition of the Trust Certificates. Failure to comply with certain reporting or filing obligations could result in the imposition of substantial penalties.

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 Trust Certificates (including secondary market transactions) in certain circumstances. The issuance and subscription of Trust Certificates should, however, be exempt.

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 Trust Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate.

Prospective holders of Trust Certificates are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Words and expressions defined in the Conditions shall have the same meanings in this section, "Subscription and Sale and Transfer and Selling Restrictions".

The Dealers have, in an amended and restated dealer agreement (such dealer agreement as modified and/or supplemented and/or restated from time to time, the "**Dealer Agreement**") dated 18 July 2025, agreed with the Trustee and the Government a basis upon which they or any of them may from time to time agree to purchase Trust Certificates. In the Dealer Agreement, each of the Trustee and the Government has agreed to reimburse the Dealers for certain of their expenses in connection with any updates of the Programme and any issue of Trust Certificates under the Programme, and, subject to the terms of the Dealer Agreement, to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Trust Certificates under or pursuant to the Dealer Agreement prior to the closing of the issue of such Trust Certificates, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Trust Certificates. In this situation, the issuance of such Trust Certificates may not be completed. Investors will have no rights against each of the Trustee and the Government or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

Transfer Restrictions

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

The Trust Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Trust Certificates are being offered and sold: (i) in the United States only to persons reasonably believed to be QIBs that are also QPs in reliance on Rule 144A of the Securities Act; or (ii) to non U.S. persons in offshore transactions in reliance on Regulation S.

Each purchaser of Trust Certificates (other than a person purchasing an interest in a Global Trust Certificate with a view to holding it in the form of an interest in the same Global Trust Certificate) or person wishing to transfer an interest from one Global Trust Certificate to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Global Trust Certificates with a view to holding it in the form of an interest in the same Global Trust Certificate will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) that either: (i) it is a QIB who is also a QP, purchasing (or holding) the Trust Certificates for its own account or for the account of one or more QIBs which are also QPs, as to which it exercises sole investment discretion, and it is aware, and each beneficial owner of the Trust Certificates has been advised, that the sale of the Trust Certificates to it is being made in reliance on Rule 144A and the Trustee is relying, on a non exclusive basis, on the exemption from the registration requirements of the Investment Company Act provided by section 3(c)(7) or (ii) it is outside the United States and is not a U.S. person (within the meaning of Regulation S);
- (b) that it is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of unaffiliated issuers;
- (c) that it is not formed for the purposes of investing in the Trustee;
- (d) that it, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of Trust Certificates;
- (e) that it understands that the Trustee may receive a list of participants holding positions in its securities from one or more book entry depositories;
- (f) that the Trust Certificates are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Trust Certificates have

not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and the Trustee has not registered and does not intend to register as an investment company under the Investment Company Act and, accordingly, the Trust Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

- (g) that, unless it holds an interest in an Unrestricted Global Trust Certificates and is either a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Trust Certificates or any beneficial interests in the Trust Certificates, it will do so, only (i) to the Trustee or any affiliate thereof, (ii) inside the United States to a person whom the seller and any person acting on its behalf reasonably believes is a QIB that is also a QP purchasing for its own account or for the account of one or more QIBs, each of which is also a QP in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, in each case in accordance with all applicable securities laws of any state or other jurisdiction of the United States;
- (h) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Trust Certificates from it of the resale and transfer restrictions referred to in paragraph (g) above, if then applicable;
- (i) that Trust Certificates initially offered and sold in the United States to QIBs that are QPs will be represented by one or more Restricted Global Trust Certificates and that Trust Certificates offered and sold outside the United States in reliance on Regulation S will be represented by one or more Unrestricted Global Trust Certificates;
- (j) that it understands that before any interest in Trust Certificates represented by a Restricted Global Trust Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Unrestricted Global Trust Certificate, it will be required to provide to each of the Principal Paying Agent and the Registrar a written confirmation substantially in the form set out in the Agency Agreement, amended as appropriate to the effect that such offer, sale, pledge or other transfer is being made in accordance with Regulation S;
- (k) that it understands that the Trustee has the power to compel any beneficial owner of Trust Certificates represented by a Restricted Global Trust Certificate that is a U.S. person and is not a QIB and also a QP to sell its interest in such Trust Certificates, or may sell such interest on behalf of such owner. The Trustee has the right to refuse to honour the transfer of an interest in any Restricted Global Trust Certificate to a U.S. person who is not both a QIB and a QP. Any purported transfer of an interest in a Restricted Global Trust Certificate to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void;
- (l) that the Restricted Global Trust Certificates, will bear a legend to the following effect, subject as provided in Condition 3.4 (*Transfers of interests in Legended Trust Certificates*):

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE TRUSTEE HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), AND, ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER: (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("**QIB**") THAT IS ALSO A "**QUALIFIED PURCHASER**" (AS DEFINED IN SECTION 2(A)(51)(A) OF THE INVESTMENT COMPANY ACT) ("**QP**") PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs THAT ARE ALSO QPs IN A MINIMUM FACE AMOUNT OF U.S.\$200,000 (OR THE EQUIVALENT AMOUNT IN A FOREIGN CURRENCY) THAT IS NOT (I) A BROKER-DEALER, WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (II) FORMED FOR THE PURPOSE OF INVESTING IN THE

TRUSTEE AND (III) A PLAN OR TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(I)(D), (E) OR (F) OF RULE 144A IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN; (B) AGREES THAT IT WILL NOT RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT (1) TO THE TRUSTEE OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB THAT IS ALSO A QP PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QP IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (3) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; (C) UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES; AND (D) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR REALES AND OTHER TRANSFERS OF THIS SECURITY.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT, IF, AT ANY TIME, THE TRUSTEE DETERMINES THAT ANY BENEFICIAL OWNER OF THIS SECURITY, OR ANY ACCOUNT FOR WHICH SUCH OWNER PURCHASED TRUST CERTIFICATES, THAT IS REQUIRED TO BE A QIB THAT IS ALSO A QP IS NOT IN FACT A QIB OR QP, THE TRUSTEE MAY: (I) COMPEL SUCH BENEFICIAL OWNER TO SELL ITS TRUST CERTIFICATES TO: (A) A PERSON THAT IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT; OR (B) A PERSON THAT IS A QIB AND ALSO A QP; AND THAT, IN EACH CASE, IS OTHERWISE QUALIFIED TO PURCHASE SUCH SECURITIES IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT; OR (II) COMPEL SUCH BENEFICIAL OWNER TO SELL SUCH SECURITIES TO THE TRUSTEE OR AN AFFILIATE THEREOF AT A PRICE EQUAL TO THE LEAST OF: (A) THE PURCHASE PRICE PAID BY THE BENEFICIAL OWNER FOR SUCH SECURITIES; (B) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF; OR (C) THE FAIR MARKET VALUE THEREOF AS DETERMINED IN GOOD FAITH BY THE BOARD OF DIRECTORS OF THE TRUSTEE. THE TRUSTEE HAS THE RIGHT TO REFUSE TO REGISTER OR OTHERWISE HONOUR THE TRANSFER OF INTERESTS IN SUCH SECURITIES TO A PERSON THAT IS NOT A QIB THAT IS ALSO A QP.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

THE ISSUER MAY COMPEL EACH BENEFICIAL OWNER HEREOF TO CERTIFY PERIODICALLY THAT SUCH OWNER IS A QIB AND A QP.

BY ACCEPTING THIS SECURITY (OR ANY INTEREST HEREIN) EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL BE DEEMED TO HAVE ACKNOWLEDGED, REPRESENTED, WARRANTED AND

AGREED THAT: (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) (i) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (ii) A "PLAN" (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**CODE**")) THAT IS SUBJECT TO SECTION 4975 OF THE CODE (iii) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE "PLAN ASSETS" UNDER THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, FOR THE PURPOSES OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE, BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE PERSON OR ENTITY (EACH OF (i)-(iii), A "**BENEFIT PLAN INVESTOR**") OR (iv) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), UNLESS, UNDER THIS SUBSECTION (iv), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY APPLICABLE SIMILAR LAW OR SUBJECT THE TRUST OR ANY TRANSACTION THEREBY TO ANY SUCH SIMILAR LAW; (B) IT AND ANY PERSON CAUSING IT TO ACQUIRE THIS CERTIFICATE (OR ANY INTEREST HEREIN) SHALL INDEMNIFY AND HOLD HARMLESS THE TRUSTEE, THE OBLIGOR, THE ARRANGERS, THE DEALERS AND THEIR RESPECTIVE AFFILIATES FROM ANY COST, DAMAGE OR LOSS INCURRED BY THEM AS A RESULT OF IT BEING OR BEING DEEMED TO BE A BENEFIT PLAN INVESTOR OR A PLAN SUBJECT TO ANY SIMILAR LAW; AND (C) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SECURITY OR ANY INTEREST HEREIN TO ANY PERSON UNLESS THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES APPLY TO THAT PERSON. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE NOR THE DELEGATE WILL RECOGNIZE ANY SUCH ACQUISITION OR TRANSFER.";

- (m) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Trust Certificates, prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of each Tranche of the Trust Certificates), it will do so only (i)(A) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB who is also a QP in compliance with Rule 144A and (ii), it shall do so in accordance with all applicable securities laws of the states and other jurisdictions of the United States; and it acknowledges that the Unrestricted Global Trust Certificates will bear a legend to the following effect unless otherwise agreed to by the Trustee:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE TRUST CERTIFICATES OF THE TRANCHE OF WHICH THIS TRUST CERTIFICATE FORMS PART.

BY ACCEPTING THIS SECURITY (OR ANY INTEREST HEREIN) EACH PURCHASER AND AND SUBSEQUENT TRANSFEREE OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL BE DEEMED TO HAVE ACKNOWLEDGED, REPRESENTED, WARRANTED AND AGREED THAT: (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF

OF (AND FOR SO LONG AS IT HOLDS THIS CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) (i) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (ii) A "PLAN" (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**CODE**")) THAT IS SUBJECT TO SECTION 4975 OF THE CODE (iii) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE "PLAN ASSETS" UNDER THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, FOR THE PURPOSES OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE, BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE PERSON OR ENTITY (EACH OF (i)-(iii), A "**BENEFIT PLAN INVESTOR**") OR (iv) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), UNLESS, UNDER THIS SUBSECTION (iv), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY APPLICABLE SIMILAR LAW OR SUBJECT THE TRUST OR ANY TRANSACTION THEREBY TO ANY SUCH SIMILAR LAW; (B) IT AND ANY PERSON CAUSING IT TO ACQUIRE THIS CERTIFICATE (OR ANY INTEREST HEREIN) SHALL INDEMNIFY AND HOLD HARMLESS THE TRUSTEE, THE OBLIGOR, THE ARRANGERS, THE DEALERS AND THEIR RESPECTIVE AFFILIATES FROM ANY COST, DAMAGE OR LOSS INCURRED BY THEM AS A RESULT OF IT BEING OR BEING DEEMED TO BE A BENEFIT PLAN INVESTOR OR A PLAN SUBJECT TO ANY SIMILAR LAW; AND (C) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SECURITY OR ANY INTEREST HEREIN TO ANY PERSON UNLESS THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES APPLY TO THAT PERSON. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE NOR THE DELEGATE WILL RECOGNIZE ANY SUCH ACQUISITION OR TRANSFER."; and

- (n) that the Trustee, each Agent, each Manager and their affiliates or, as the case may be, the relevant Dealer and its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Trustee and the Managers or, as the case may be, the relevant Dealer; and if it is acquiring any Trust Certificates as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Trust Certificates in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) face amount and no Legended Trust Certificate will be issued in connection with such a sale in a smaller face amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or its foreign currency equivalent) of Registered Trust Certificates.

Selling Restrictions

United States

The Trust Certificates have not been nor will be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and the Trust Certificates may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver any Trust Certificates (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Trust Certificates of the Tranche of which such Trust Certificates are

a part, within the United States, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Trust Certificates during the distribution compliance period relating thereto (other than a sale in reliance on Rule 144A), a confirmation or other notice setting forth the restrictions on offers and sales of the Trust Certificates within the United States or to, or for the account or benefit of, U.S. persons.

Accordingly, neither it, its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Trust Certificates, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used in the paragraph above have the meaning given to them by Regulation S.

Each Dealer has represented, warranted, undertaken and agreed that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D), nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer and sale of the Trust Certificates in the United States.

Each Dealer may, through its respective U.S. registered broker dealer affiliates, arrange for the offer and resale of the Trust Certificates in the United States only to QIBs that are QPs in accordance with Rule 144A.

Each Dealer has represented, warranted, undertaken and agreed that it has offered and sold and will offer and sell the Trust Certificates in the United States only to persons whom it reasonably believes are QIBs and QPs who can represent that: (A) they are QIBs that are QPs within the meaning of Rule 144A; (B) they are not broker dealers who own and invest on a discretionary basis less than U.S.\$25,000,000 in securities of unaffiliated issuers; (C) they are not a participant directed employee plan, such as a 401(k) plan; (D) they are acting for their own account, or the account of one or more QIBs each of which is a QP; (E) they are not formed for the purpose of investing in the Trust Certificates or the Trustee; (F) each account for which they are purchasing will hold and transfer at least U.S.\$200,000 in face amount of Trust Certificates at any time; (G) they understand that the Trustee may receive a list of participants holding positions in its securities from one or more book entry depositories; and (H) they will provide notice of the transfer restrictions set forth in the Base Prospectus to any subsequent transferees.

In connection with the offer and resale of the Trust Certificates in the United States each Dealer has represented and agreed that it is either (A) a QIB that is also a QP or (B) a non-U.S. person within the meaning of Regulation S.

In addition, until 40 days after the commencement of the offering of Trust Certificates comprising any Tranche, any offer or sale of Trust Certificates within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Trust Certificates to QIBs that are also QPs pursuant to Rule 144A and each such purchaser of Trust Certificates is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate face amount of Trust Certificates which may be purchased by a QIB that is also a QP pursuant to Rule 144A is U.S.\$200,000 (or the approximate equivalent thereof in any other currency).

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in the UK except that it may make an offer of such Trust Certificates to the public in the UK:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee for any such offer; or

- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Trust Certificates referred to in (a) to (c) above shall require the Trustee, the Government or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Trust Certificates to the public**" in relation to any Trust Certificates means the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Trust Certificates and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

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, that:

- (a) in relation to any Trust Certificates which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Trust Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Trust Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Trust Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Government; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Trust Certificates in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the EEA (each a "**Member State**"), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State, except that it may, make an offer of such Trust Certificates to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) 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(s) nominated by the Trustee and the Government for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Trust Certificates referred to above shall require the Trustee, the Government or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Trust Certificates to the public" in relation to any Trust Certificates in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an

investor to decide to purchase or subscribe for the Trust Certificates and the expression "**EU Prospectus Regulation**" for the purposes of this paragraph means Regulation (EU) 2017/1129.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Trust Certificates in the Kingdom of Bahrain, other than as marketing to existing account holders who are "**accredited investors**" for an offer outside Bahrain.

For this purpose, an "**accredited investor**" means:

- (a) an individual who has a minimum net worth (either singly or jointly with their spouse) of U.S.\$1,000,000 (excluding that person's principal place of residence); or
- (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); or
- (d) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook from time to time.

Sultanate of Oman

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

- (a) this Base Prospectus has not been filed with or registered as a prospectus with the Capital Market Authority of Oman pursuant to Article 3 of the Capital Market Authority Law (SD 80/98, as amended) (Article 3), will not be offered or sold as an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (SD 18/19, as amended) or Article 3, nor does it constitute a sukuk offering pursuant to the Sukuk Regulation issued by the Capital Market Authority of Oman (CMA Decision 3/2016); and
- (b) the Trust Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or to purchase the Trust Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Oman to any person in Oman other than by an entity duly licensed by the Capital Market Authority of Oman to market non-Omani securities in Oman and then only in accordance with all applicable laws and regulations, including Article 139 of the Executive Regulations of the Capital Markets Law (Decision No. 1/2009, as amended).

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Trust Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Trust Certificates pursuant to an offering should note that the offer of Trust Certificates is a private placement under Article 10 and either Article 8(a)(1) or Article 9 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 9/04/1439H (corresponding to 27 December 2017), as amended by its resolution number 3-6-2024 dated 05/07/1445H (corresponding to 17 January 2024) (the "**KSA Regulations**"), made through a capital market institution licensed to carry out arranging activities by the Capital Market Authority, in each case, in accordance with the KSA Regulations.

The Trust Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "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 or as otherwise required or permitted by the KSA Regulations. Each Dealer has represented and agreed that any offer of Trust Certificates 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 Trust Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 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, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Trust Certificates in the State of Qatar (including the Qatar Financial Centre), except: (i) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre).

This Base Prospectus: (i) has not been filed with, reviewed or approved by the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other relevant Qatar governmental body or securities exchange; (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation, whether directly or indirectly, has been or will be made to the public in the Cayman Islands to subscribe for any Trust Certificates issued under the Programme and this Base Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Trust Certificates.

UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) governing the issue, offering or sale of securities.

Abu Dhabi Global Market

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Trust Certificates to any person in the Abu Dhabi Global Market unless such offer is:

- (a) an **"Exempt Offer"** in accordance with the Financial Services Regulatory Authority (the **"FSRA"**) Financial Services and Markets Regulations 2015 (the **"FSMR"**) and the FSRA Markets Rules;
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the FSRA Conduct of Business Rules; and
- (c) made only in circumstances in which section 18(1) of the FSMR does not apply.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Trust Certificates to be issued under the Programme to any person in the DIFC unless such offer is:

- (a) an **"Exempt Offer"** in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA Rulebook.

State of Kuwait

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates to be issued have not been and will not be offered, sold, promoted or advertised by it in the State of Kuwait other than in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities.

No private or public offering of the Trust Certificates is being made in the State of Kuwait, and no agreement relating to the sale of the Trust Certificates will be concluded in the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Trust Certificates in the State of Kuwait.

Hong Kong

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Trust Certificates, other than: (i) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Trust Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Trust Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Trust Certificates or caused the Trust Certificates to be made the subject of an invitation for subscription or purchase, and will not offer or sell any Trust Certificates or cause the Trust Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Trust Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to an accredited investor (as defined in Section 4(A) of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Switzerland

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that neither this Base Prospectus nor any other offering or marketing material relating to the Trust Certificate constitutes a prospectus pursuant to the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Trust Certificates to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that: (i) the Trust Certificates may not be publicly offered, sold or advertised by it, directly or indirectly, in or from

Switzerland; and (ii) neither this Base Prospectus nor any other offering or marketing material relating to the Trust Certificates may be publicly distributed or otherwise made publicly available by it in Switzerland.

Malaysia

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

- (a) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia (the "SC") under the Capital Markets and Services Act 2007 of Malaysia (the "CSMA"); and
- (b) accordingly, the Trust Certificates have not been and will not be offered or sold, and no invitation to subscribe for or purchase the Trust Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Part 1 of Schedule 6 (or Section 229(1)(b)) and Part 1 of Schedule 7 (or Section 230(1)(b)) and Schedule 8 or (Section 257(3)), read together with Schedule 9 (or Section 257(3)) of the CSMA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the SC and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals, including approval from the Central Bank of Malaysia to purchase the Trust Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers shall be responsible for any invitation, offer, sale or purchase of Trust Certificates as aforesaid without the necessary approvals being in place.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Trust Certificates or possesses or distributes this Base Prospectus, any other offering material or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Trust Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Trustee, the Government and any other Dealer shall have any responsibility therefor.

None of the Trustee, the Government or any of the Dealers: (i) makes any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any Trust Certificates, or possession or distribution of this Base Prospectus, any other offering, material or any Final Terms, in any country or jurisdiction where action for that purpose is required; or (ii) represents that Trust Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with any additional restrictions agreed between the Trustee, the Government and the relevant Dealer(s) and set out in the relevant dealer accession letter or subscription agreement, as the case may be. Any such modification will be set out in the Final Terms issued in respect of the issue of Trust Certificates to which it relates or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

The update of the Programme and the entry of the Trustee into the transaction contemplated by the Transaction Documents and the execution thereof has been duly authorised by a resolution of the Board of Directors of the Trustee dated 17 July 2025. The issuance of the Trust Certificates and the entry by the Government into the Transaction Documents to which it is a party was duly authorised by Emiri Decree No. 57 of 2014 of the Ruler's Court of the Government issued on 19 August 2014.

The Trustee and the Government have each obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and will obtain all necessary consents, approvals and authorisations in connection with the issue of any Trust Certificates thereunder and the execution and performance of the Transaction Documents to which they are a party.

Listing of Trust Certificates

It is expected that each Tranche of Trust Certificates which is to be admitted to the Official List and to trading on Euronext Dublin's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Trust Certificate initially representing the Trust Certificates of such Tranche. Application has been made to Euronext Dublin for Trust Certificates issued under the Programme to be admitted to the Official List and to trading on its regulated market. The approval of the Programme in respect of Trust Certificates is expected to be granted on or about 18 July 2025. Prior to the official listing and admission to trading, however, dealings will be permitted.

Application has also been made to the DFSA for the Trust Certificates to be admitted to the DFSA Official List and to be admitted to trading on Nasdaq Dubai. The Trust Certificates are expected to be admitted to the DFSA Official List and admitted to trading on Nasdaq Dubai on or about 18 July 2025.

The Programme provides that Trust Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Government and the relevant Dealer(s). Unlisted Trust Certificates may also be issued pursuant to the Programme.

Arthur Cox Listing Services Limited is acting solely in its capacity as Irish listing agent for the Government and the Trustee in connection with the Trust Certificates and is not itself seeking admission of the Trust Certificates to the Official List or to trading on the Regulated Market for the purposes of the EU Prospectus Regulation.

No Significant Change

There has been no significant change in the financial performance or financial position of the Government and there has been no significant change in tax and budgetary systems, foreign exchange reserves, gross public debt and income and expenditure figures of the Government, in each case, since 31 December 2024.

There has been no significant change in the financial performance or financial position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since the date of its incorporation.

Litigation

Neither the Government nor the Trustee is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Government or the Trustee is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position of the Government and/or the financial position or profitability of the Trustee.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be made available in electronic form for inspection on the website of Euronext Dublin at <https://live.euronext.com/en/product/bonds-detail/25317/documents>:

- (a) copies of the constitutional documents of the Trustee; and

- (b) the Master Declaration of Trust and each relevant Supplemental Declaration of Trust in relation to Trust Certificates which are listed on the Official List and admitted to trading on the Regulated Market.

The applicable Final Terms for Trust Certificates that are listed on the: (i) Official List and admitted to trading on the Regulated Market; and (ii) DFSA Official List and admitted to trading on Nasdaq Dubai will be published on the website of Euronext Dublin at <https://live.euronext.com/en/product/bonds-detail/25317/documents> and the website of Nasdaq Dubai at <http://www.nasdaqdubai.com>.

Clearing Systems

The Trust Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). In addition, the Trustee may make an application for the Trust Certificates to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Trust Certificates, together with the appropriate common code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and/or Classification of Financial Instruments (CFI) code (as applicable) for each Tranche of Trust Certificates may be specified in the applicable Final Terms. If the Trust Certificates are to clear through an additional or alternative clearing system, the appropriate information may be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Trustee's Legal Entity Identifier

The Trustee's Legal Entity Identifier ("LEI") code is 549300N3BQ9P6RRMVV02.

Third-Party Information

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Trustee or the Government is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Dealer not acting for any prospective or actual holders of Trust Certificates

Each of the Arrangers is authorised by the Prudential Regulation Authority (the "PRA") and regulated by the PRA and the Financial Conduct Authority in the United Kingdom. None of the Dealers or the Arrangers is acting for any actual or prospective holders of Trust Certificates, and are neither advising nor treating as a client any other person and will not be responsible to any actual or prospective holders of Trust Certificates and will not be responsible to anyone other than the Trustee for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Base Prospectus and/or the applicable Final Terms or any transaction or arrangement referred to herein or therein. None of the Dealers, the Arrangers nor any of their respective affiliates has authorised the content of, or any part of, this Base Prospectus and/or the applicable Final Terms.

Dealers transacting with the Government

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in various financial advisory, investment banking and/or commercial banking transactions with, and may perform services for, the Government of the Emirate of Sharjah and/or the Sharjah Finance Department and/or their affiliates (including any other public sector instrumentality, as defined in the Conditions) in the ordinary course of business for which they have received, and for which they may in the future receive, fees and expenses. In particular, certain of the Dealers are lenders to the Government of the Emirate of Sharjah (and/or the Sharjah Finance Department and/or their affiliates (including any other public sector instrumentality)) and proceeds from the issue of the Trust Certificates may be used to pay such outstanding financings. In connection with any offering under the Programme the Dealers may purchase and sell Trust Certificates in the open market.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade securities (or related hedging and derivative

instruments) and financial instruments (including bank financings) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Government of the Emirate of Sharjah and/or the Sharjah Finance Department and/or their respective affiliates (including any other public sector instrumentality). Certain of the Dealers or their affiliates that have a lending/financing relationship with the Government of the Emirate of Sharjah and/or the Sharjah Finance Department and/or their respective affiliates (including any other public sector instrumentality) routinely hedge their credit exposure to the Government of the Emirate of Sharjah and/or the Sharjah Finance Department and/or their respective affiliates (including any other public sector instrumentality) consistent with their customary risk management policies.

Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which may consist of either the purchase of hedging arrangements or the creation of trading positions in securities, including potentially the Trust Certificates. Any such arrangements or trading positions could adversely affect future trading prices of the Trust Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, trading positions in such securities and instruments.

Cayman Islands Data Protection

The Trustee has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "DPA") based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Trust Certificates and the associated interactions with the Trustee and its affiliates and/or delegates, or by virtue of providing the Trustee with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals may be providing the Trustee and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPA. The Trustee shall act as a data controller in respect of this personal data and its affiliates and/or delegates may act as data processors (or data controllers in their own right in some circumstances).

For further information on the application of the DPA to the Trustee, please refer to the Privacy Notice (a copy of which may be requested from the Trustee by email at dmo@sfd.gov.ae), which provides an outline of investors' data protection rights and obligations as they relate to the investment in the Trust Certificates.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Trustee could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Validity of this Base Prospectus

For the avoidance of doubt, the Trustee shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

Obligor's Website

The Obligor's website is <https://www.sfd.gov.ae/>. Unless specifically incorporated by reference into this Base Prospectus (see "*Documents Incorporated by Reference*"), the information contained on this website or any other website referred to in this Base Prospectus is not expressly incorporated by reference into, or otherwise included in, this Base Prospectus.

APPENDIX – FISCAL PLAN



Government of Sharjah Medium-Term Financial Outlook

January 2023

1. Section 1: Introduction

The Government of Sharjah is committed to achieving sustainable financial performance over the short, medium and long term. Stable public finances underpin economic confidence, inward investment, and the Government's ability to develop the local economy and society.

Sharjah is renowned for taking a responsible, gradual approach to economic development and social change, and the Government applies the same philosophy to public financial management. Under the direction of the Ruler, H.H. Sheikh Dr Sultan Bin Mohamed Al Qasimi, and Sharjah Executive Council, Sharjah Finance Department has developed a modern and sophisticated financial architecture that ensures prudent and transparent management of public funds.

The Government of Sharjah has traditionally operated under an annual budgetary cycle, coordinated by Sharjah Finance Department. Through this Medium-Term Financial Outlook, the Government is setting out its multi-year, medium-term financial plans for the first time. The plans are placed in the context of the Emirate's recent financial history and the Government's longstanding objectives for sustainable economic development and good governance.

This document establishes the Government of Sharjah's policy intention to **balance the primary budget by 2027, and until at least 2030**. It details various policy measures, planned budgetary limits and expected economic and regulatory developments in terms of their impact on revenues and expenditure over the relevant period: 2023 to 2030. Based on these factors, the document presents a Fiscal Forecast, showing the expected evolution of the main measures of fiscal performance and sustainability, and the degree of compliance with the stated policy intention.

The Fiscal Forecast presented here represents the Government's current best and fairest estimate of how revenues and expenditure will evolve, but is subject to a degree of uncertainty. Some of the measures reflected in the Fiscal Forecast are still under development and remain subject to revision of the applicable policy or the expected financial effect. In addition, the Government may choose to bring forward additional policy changes to further strengthen fiscal performance.

The final section of this document briefly sets out the governance arrangements for medium-term fiscal planning and reporting in the Government of Sharjah.

2. Section 2: Financial context

2.1 *Expansion of government activities*

In recent years, the Government of Sharjah has increased public borrowing in order to fund a substantial expansion of the activities of the state. This has included:

- a concerted programme of infrastructure development, regenerating urban areas and transforming connectivity in the more remote Central and Eastern Regions of the Emirate;
- a more extensive set of social benefits and welfare, from education and housing to minimum salaries and pensions; and

- significant improvements in the quality and availability of public services and amenities.

2.2 ***Budget deficit***

The increase in government expenditure has been supportive of long-term, sustainable economic growth, ensuring that multiple areas of Sharjah remain attractive places to live, work and do business. However, much of the government revenue generated from the anticipated economic benefits will accrue indirectly, or only over a long period of time.

As such, there has been a growing gap between government expenditure and revenue levels over the past decade, with the annual budget deficit reaching AED 6.1 billion by 2019. Despite the UAE's world-leading response to the Covid-19 pandemic, the Government of Sharjah was not completely insulated from the economic and financial effects of movement restrictions, and experienced larger budget deficits in 2020 and 2021 as a result (AED 7.8 billion and AED 10.7 billion respectively).

Financial restraint and improving economic conditions allowed the Government to reduce the budget deficit to AED 8.5 billion in 2022 (preliminary estimate), although this remains high by historical standards.

2.3 ***Public debt***

The persistent budget deficit has led to an accumulation of public debt. Sharjah's gross general government debt has risen from extremely low levels by international standards (just 4% of GDP in 2012) to a level more consistent with international norms (estimated 46% of GDP in 2022).

Thanks to active debt management policies and good market access, the Government of Sharjah has kept debt servicing costs at manageable levels, remaining below AED 2 billion until 2021. Nevertheless, the Government's revenue base is small relative to most other governments, meaning that the interest / revenue ratio has reached high levels compared to international norms – reaching an estimated 19.6% in 2021 and 22.5% in 2022.

3. **Section 3: Policy stance and Fiscal Objective**

The Government of Sharjah acknowledges that it would not be sustainable to continue to grow expenditure and revenues along the trajectory of the past decade. There would be a further sharp increase in indebtedness, and debt servicing costs would reach unacceptably high levels, relative to revenue sources. The risk of spiralling debt service costs is intensified by the recent sharp increase in interest rates across most markets worldwide.

The Government therefore plans to moderate annual borrowing in order to stabilise debt, relative to revenues and GDP.

This document sets out the Government's new headline **Fiscal Objective**:

"To balance the primary budget by 2027, and at least until 2030."

In other words, by the financial year of 2027, budgetary revenues should be sufficient to cover all budgetary expenditure, excluding debt servicing costs (both principal and interest).

The new Fiscal Objective will guide medium-term and annual financial planning and budgetary allocations. The approved Government Budget for 2023 already reflects the trajectory required by the Fiscal Objective.

Achieving the Fiscal Objective will entail a set of initiatives and measures to contain expenditure growth and raise revenues, introduced over a period of time. The precise mix of expenditure and revenue measures, and the timing of their implementation, will affect the impact of the Fiscal Objective on fiscal aggregates and fiscal performance ratios.

The Government will keep financial performance under review, and will seek to adjust policies and introduce new measures to ensure compliance with the Fiscal Objective on an ongoing basis.

4. **Section 4: Key forecast items and fiscal adjustment measures**

Section 5 of this document will lay out the Government of Sharjah's central Fiscal Forecast for the years 2023 to 2030. In order to produce the forecast, it is necessary to make a number of assumptions about the various factors that influence revenue and expenditure levels, as well as economic performance in the Emirate (since this provides the denominator for metrics such as the Debt / GDP ratio).

In this section, the forecast assumptions are separated into:

1. **Forecast items**, meaning contextual or passive factors where the forecast assumes current policies continue to apply and reflects a balanced analysis of the likely future trajectory;
2. **Fiscal adjustment measures**, where the Government has resolved to take or is considering taking active measures to change policy or practice in order to change the trajectory of revenue and / or expenditure levels.

This part of the document explicitly states the key forecast items and fiscal adjustment measures and describes their impact on the Fiscal Forecast, as well as briefly highlighting the level of confidence around given forecasts and any particularly notable risks to implementation of measures.

4.1 **Key forecast items**

The Fiscal Forecast in Section 5 reflects the following **key forecast items**.

4.1.1 *Economic growth*

The forecast assumes that nominal GDP growth will be 5.0% per annum each year, irrespective of the balance between real growth rates and inflation.

This forecast is broadly reflective of recent historical trends, while tending towards cautiousness. It is worth noting that Sharjah, as a relatively small and very open economy with strong interdependencies with other economies, has experienced relatively high levels of volatility in GDP growth, which are likely to recur in future, so the stable annual growth rate in the forecast is unlikely to be accurate in each individual year.

4.1.2 *Value added tax*

The UAE's Federal Tax Authority administers the value added tax regime across all emirates. While 30% of revenues collected are retained to fund UAE Federal Government activities, the remaining 70% are returned to each emirate and are treated as revenue in the budget.

The Fiscal Forecast assumes that the UAE Federal Government will continue with the current policy regime of rates and exemptions, and that VAT revenues will therefore grow in line with GDP.

4.1.3 *Departmental revenues*

The Government plans to introduce various policy changes to departments' operating revenue framework that will take effect from 2023, as described in Section 4.2 below. These are reflected in the baseline forecast for 2023.

For subsequent years, the forecast assumes that departments' revenues (from service fees, licensing, fines, etc) will grow in line with GDP forecasts – that is, at a rate of 5.00% per year in nominal terms.

4.1.4 *Budgetary contributions from Government-Related Entities (GRES)*

The Government of Sharjah owns majority or 100% stakes in a number of independent public- sector entities that operate in commercial environments, known as GRES. While

some GREs require subsidy from the Government budget in order to operate in accordance with certain policy objectives, others are profitable and contribute to the Government's revenue budget. The exact amounts of GRE contributions are determined through the annual budgeting process and in-year performance review.

The Fiscal Forecast in Section 5 shows the agreed contributions for 2023 and an assumption of the contributions that can be projected with a strong degree of confidence in future years. The forecast increases from 2027 as a result of the expected boost to performance from Sharjah Airport's expansion project.

4.1.5 Customs revenues

In the 5 years preceding the Covid-19 pandemic, annual customs revenues in Sharjah averaged AED 1.0 billion. The Fiscal Forecast in Section 5 assumes that customs revenues will grow strongly from the actual level of AED 0.8 billion in 2021 to exceed AED 1.25 billion in 2027, before then growing at a slower rate of around 3% per year.

4.1.6 Capital support to Invest Bank

The Government of Sharjah expects to provide capital support to Invest Bank (one of four banks headquartered in the Emirate of Sharjah, with the Government holding 50.01% of shares). This support will give Invest Bank sufficient capital to undertake new business and grow, and will be provided in a form that insulates the bank from the financial impact of provisions relating to legacy business.

The Fiscal Forecast in Section 5 reflects the central estimate of costs arising to the Government budget from the planned capital support. The Government will release details of the planned support mechanism following full consultation with and approvals from the relevant regulatory bodies and shareholder representatives.

4.1.7 Debt interest

The Government's average cost of debt interest is expected to increase as a result of new debt incurred at higher credit margins than older debt it replaces, reflecting the lower international credit ratings held by the Emirate of Sharjah. In addition, both floating rate debt and new fixed rate debt will be affected by the current and expected levels of benchmarks such as Eibor and SOFR, which are at elevated levels as central banks seek to combat inflation. On the other hand, nearly one-fifth of the Government's existing debt stock, AED 12.3 billion, is fixed-rate debt maturing after 2030, the end of the forecasting period, so will not be affected by the above factors.

Taking these factors into account, the Government's average rate of debt interest is expected to rise from 3.6% in 2021 to 5.3% in 2023 and then gradually to 5.6% by 2026, before falling back to 5.25% by the end of the forecast period.

4.2 Fiscal adjustment measures

The Fiscal Forecast in Section 5 reflects the following fiscal adjustment measures that are currently in the process of either policy development or implementation.

4.2.1 Corporate income tax

The UAE Federal Tax Authority intends to introduce a corporate income tax effective for tax years starting on or after 1 June 2023. Subject to various exemptions, deductions and reliefs, a tax rate of 9% will apply to taxable net income in excess of AED 375,000 each year.

Along with representatives from the UAE Federal Government and each emirate, Sharjah Finance Department participates in coordinated work to complete the detailed design and implementation plans for corporate income tax. The item for tax revenues in the Fiscal Forecast reflects the latest understanding of how the new tax will operate and how revenues will be allocated to each emirate. This forecast remains subject to uncertainty

as it is difficult to forecast the total tax take accurately – although this exercise has been made easier by the data available from the implementation of value added tax in recent years.

4.2.2 *Oil and gas*

Through Sharjah National Oil Company (SNOC), the Government of Sharjah is taking coordinated action to replenish its hydrocarbon production capacity, following a decline in recent years.

This includes developing and exploiting gas and condensate reserves in onshore areas such as Mahani (where commercial operations began in 2021) and a number of other sites, as well as oil reserves in areas off Sharjah's east coast.

SNOC is also growing its LPG production capacity, having captured approximately 10% of UAE market share since switching LPG sales exclusively to the local market in 2020.

The expected growth in hydrocarbon production is reflected in the Fiscal Forecast in Section 5, along with price assumptions taken from international benchmarks.

4.2.3 *Land and real estate*

In October 2022, the Government announced the extension of freehold ownership rights in designated areas and developments to all nationalities; previously, only citizens of Arab nationalities could own real estate under freehold, whereas other nationalities could obtain a 99- year leasehold.

This policy change is expected to have a significant positive impact on demand for land and property in Sharjah, helping to stimulate private-sector development. It is also expected to support higher prices and sales volumes for the Government's programme of land sales, under which new areas of the Emirate are released for sale and development each year.

Alongside these steps to open up the real estate market, the Government is also implementing a 1% surcharge on real estate sales to foreign buyers from 2023, in addition to the existing 4% real estate registration fee.

The Fiscal Forecast in Section 5 reflects the expected boost to land sale volumes and prices from the new ownership rights, the proposed increase in transaction registration fees for foreign buyers of real estate, and the expected growth in average sales prices.

4.2.4 *Waste collection*

The Government is reviewing potential new fees for waste collection services for households and businesses in certain areas where these are currently provided free of charge. In addition to raising recurring revenue, this should incentivise more careful use of resources, encourage separation of waste for recycling (where facilities exist) and reduce the environmental impact of waste disposal, including greenhouse gas emissions.

The Fiscal Forecast in Section 5 includes expected revenues accruing to the municipalities, which are centralised departments of the Government, starting from 2023.

4.2.5 *Sewerage*

The relevant Municipality in each region of the Emirate of Sharjah provides sewerage services to most residential, commercial and industrial properties. The revenues from these services are collected by Sharjah Electricity, Water and Gas Authority (SEWA) through utility bills and then

passed on to the relevant Municipality, and are therefore accounted as central government revenues.

The Government is reviewing a potential change from a standardised charging model for sewerage to a volume-based tariff system. In addition to raising additional revenue, this would be intended to incentivise more efficient use of precious water resources, reducing the need for abstraction and desalination, which have environmental impacts including high energy usage.

The Fiscal Forecast in Section 5 reflects the additional revenue expected to accrue to municipalities under the new scheme, starting from 2023.

4.2.6 *Staff costs*

Salaries and other staff costs make up the largest part of the Government of Sharjah's expenditure budget, exceeding AED 7 billion in 2022.

The Government expects continuing upward pressure on the wage bill, as a result of inflation, a competitive local employment market, the demographics of the current employee cohort, and the policy intent to provide meaningful employment for local citizens. The Government does not plan to cut salaries of existing staff or employee numbers. Instead, the Government intends to cap the growth in staff costs at 5% per year in nominal terms. This will require the application of a number of policy measures, including (but not limited to):

- Limiting new hires to only essential positions, and using redeployment of existing employees instead where possible;
- Restricting promotions more stringently than in previous years; and
- Restricting allowances and bonuses, within the framework of the existing human resources laws.

4.2.7 *Operational expenditure*

The Government plans to limit growth in non-staff operating costs to 2% per year in nominal terms. The lower growth rate (compared with staff costs) reflects more moderate spending pressures – primarily general price inflation. The Fiscal Forecast in Section 5 reflects the planned growth rate.

4.2.8 *Capital projects expenditure*

The Government plans to limit the annual budget for capital projects to AED 3.0 billion. This is lower than the budgeted amounts for years 2020 to 2022, but closer to the average level of actual expenditure of the years 2017 to 2021, which was AED 3.5 billion.

The slowdown in capital project expenditure is possible because some major projects – including infrastructure connections to and within the Eastern Region of the Emirate – are now complete and paid. Maintaining this budget will require the Government to keep new project commitments at a lower level than in the previous 5 years.

4.2.9 *Grants and subsidies*

The Government intends to reduce the grants and subsidies given to entities in the public sector and private sector gradually over the forecast period. There will be a particular focus on reducing support to sports clubs and cultural institutions, and overall the Government plans to reduce total grants, subsidies and other centralised (i.e. non-departmental) expenditure by 5% per year from 2023 to 2030. The Fiscal Forecast in Section 5 reflects this plan.

5. **Section 5: Fiscal Forecast**

The Fiscal Forecast presented in this section reflects the various forecasting items and fiscal adjustment measures mentioned in Section 4. It should be considered a *central scenario* based on current trends and policy intentions, but there are clearly significant uncertainties and risks to both

the upside and downside. The economic environment will inevitably change in certain ways, and Government policies are unlikely to remain static over the forecast period.

As such, the following Fiscal Forecast represents a fair central view of the likely trajectory of the Government of Sharjah's key fiscal aggregates and metrics over the period 2022 to 2030. It will be supplemented by firm budgets through the regular annual budgeting process.

	2022*	2023	2024	2025	Year 2026	2027	2028	2029	2030
Values, AED billions									
GDP	137.0	143.9	151.1	158.6	166.6	174.9	183.6	192.8	202.5
Revenues	11.1	13.0	14.5	16.7	17.3	18.0	19.3	20.0	20.6
Expenditure	19.6	21.4	22.0	22.6	23.5	24.0	24.5	25.1	25.7
Debt interest	2.5	3.5	4.0	4.4	4.9	5.2	5.4	5.5	5.7
Budget balance...	(8.5)	(8.4)	(7.5)	(5.9)	(6.3)	(6.0)	(5.2)	(5.1)	(5.1)
Primary balance..	(6.0)	(4.9)	(3.5)	(1.5)	(1.4)	(0.8)	0.3	0.4	0.6
Debt outstanding	62.6	71.0	78.4	84.4	90.6	96.6	101.8	106.9	112.0
Key Fiscal Ratios									
Balance / GDP....	(6.2%)	(5.8%)	(5.0%)	(3.7%)	(3.8%)	(3.4%)	(2.8%)	(2.6%)	(2.5%)
Primary balance									
/ GDP	(4.4%)	(3.4%)	(2.3%)	(0.9%)	(0.9%)	(0.5%)	0.1%	0.2%	0.3%
Gross Debt /									
GDP	45.6%	49.3%	51.9%	53.2%	54.4%	55.3%	55.4%	55.4%	55.3%
Gross Debt /									
Revenue	563%	544%	541%	506%	525%	535%	526%	535%	544%
Interest /									
Revenue	22.5%	27.1%	27.5%	26.6%	28.1%	28.8%	28.0%	27.8%	27.7%

* Early preliminary estimates of 2022 financial outturn – subject to revision

The Fiscal Forecast shows that on the forecast trajectory the Government will be close to meeting its Fiscal Objective of balancing the primary budget by 2027 and until at least 2030.

In the forecast, there is a rapid reduction in the primary budget deficit (i.e. the deficit exclusive of debt servicing costs) as new policy measures and significant forecast items take effect. Expenditure grows, but at a more modest rate (3.4% compounded average growth rate (CAGR)) than in recent years. A significant part of this growth in expenditure comes from higher expected debt interest costs; other expenditure grows at just 2.0% per year. Meanwhile, revenues are forecast to grow at a faster rate than expenditure (8.0% CAGR).

By 2027, the primary budget deficit is forecast to reduce to AED 0.8 billion. While this implies that the Government would need to consider further policy adjustments in order to meet its stated Fiscal Objective in full, the remaining primary budget deficit in 2027 is offset by expected primary budget surpluses in the following three years (AED 0.3 billion in 2028, AED 0.4 billion in 2029 and AED 0.6 billion in 2030).

The trajectory shown in the Fiscal Forecast leads to a broad stabilisation in key metrics of fiscal sustainability. Debt as a proportion of GDP levels out at around 55% as the primary deficit is eliminated, leaving only debt servicing costs to be funded through new net borrowing. The cost of servicing debt stabilises, with interest costs accounting for around 28% of revenues, while the Government's leverage, measured by the ratio of Debt / Revenues, falls to approximately 5.4x, having exceeded 6x in 2021.

These fiscal metrics are at relatively high levels in the context of the financial composition of the Government of Sharjah, with its modest revenue share of GDP. However, the Government views these levels as being manageable, based on:

- the conservatism of the Fiscal Forecast presented here;
- the scope for further policy adjustments, if needed;
- the strong macroeconomic environment and growth potential of Sharjah and the UAE;
- the Government's access to multiple sources of funding; and

- the absence of meaningful currency risk, with all the Government's debt being denominated in AED or US Dollars, and the AED-USD peg considered to be very strong.

The Government's main priority is currently to ensure stable fiscal performance, at a level that is operationally manageable in terms of annual financing requirements and provides sufficient flexibility to respond to shocks. The Fiscal Forecast suggests this aim will be achieved in the central scenario under the stated Fiscal Objective. The Government intends to keep fiscal performance under review, and may later choose to take policy actions to go beyond stabilisation and pursue more significant consolidation.

6. **Section 6: Governance and communications**

The Government of Sharjah has established a Medium-Term Financial Planning Committee. Chaired by the Director General of Sharjah Finance Department, the Committee will meet quarterly. Its mandate will be:

1. Reviewing financial reports to assess actual progress towards the objective of balancing the primary budget by 2027 and until at least 2030;
2. Establishment and oversight of all workstreams to analyse, develop, implement and monitor fiscal adjustment policy measures;
3. Recommending adjustments to the initial plans, as required;
4. Publishing updates to the Medium-Term Financial Outlook when appropriate;
5. Annual progress reporting to relevant internal and external stakeholders.

The Government will continue to follow its annual budgeting cycle, under which Sharjah Finance Department prepares the government budget, which is then reviewed by Sharjah Executive Council and Sharjah Consultative Council before being finalised and submitted to H.H. The Ruler for ratification. The Department will develop the budget with due regard to the Medium-Term Financial Outlook and the Government's stated Fiscal Objective.

The Debt Management Office of the Government of Sharjah will be responsible for communicating the details of the Medium-Term Financial Outlook to credit rating agencies, lenders and fixed income investors. Any enquiries relating to this document should be directed to the Debt Management Office (Investor.Relations@sfd.gov.ae).

Disclaimer

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