

## IMPORTANT NOTICE

THE ATTACHED BASE PROSPECTUS IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER: (I) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN, AND IN RELIANCE UPON, RULE 144A ("RULE 144A") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") WHO ARE ALSO QUALIFIED PURCHASERS ("QPs") AS DEFINED IN SECTION (2)(A)(51)(A) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED; OR (II) NON-U.S. PERSONS (AS DEFINED IN REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT) LOCATED OUTSIDE THE UNITED STATES. THE ATTACHED BASE PROSPECTUS MAY NOT BE DISTRIBUTED DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES TO ANYONE THAT IS NOT A QIB.

**IMPORTANT: You must read the following before continuing.** The following applies to the attached base prospectus (the "Base Prospectus") and you are therefore advised to read this 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, any time you receive any information from the Trustee, the Company, the Arrangers and the Dealers (each as defined in the Base Prospectus) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES IN THE UNITED STATES OR 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 SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTIONS. THE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT: (I) IN ACCORDANCE WITH RULE 144A TO PERSONS REASONABLY BELIEVED TO BE QIBs WITHIN THE MEANING OF RULE 144A WHO ARE ALSO QPs WHO REPRESENT THAT: (I) THEY ARE QPs WHO ARE QIBs 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 MILLION 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 ALSO A QP; (E) THEY ARE NOT FORMED FOR THE PURPOSE OF INVESTING IN THE SECURITIES OR THE TRUSTEE; (F) THEY UNDERSTAND THAT THE TRUST MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITORIES; AND (G) THEY WILL PROVIDE NOTICE OF THESE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE; OR (II) IN AN OFFSHORE TRANSACTION TO A PERSON THAT IS NOT A U.S. PERSON IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S AND, IN EACH CASE, IN ACCORDANCE WITH THE SECURITIES LAWS APPLICABLE TO ANY RELEVANT STATE OF THE U.S. OR OTHER RELEVANT JURISDICTIONS.

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 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 THE BASE PROSPECTUS, ANY FINAL TERMS, ANY PRICING SUPPLEMENT AND ANY OTHER MARKETING MATERIALS RELATING TO THE SECURITIES IS BEING ADDRESSED TO, OR DIRECTED AT: (1) 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: (X) 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"); (Y) 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 (Z) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE MADE IN ACCORDANCE WITH THE FINANCIAL PROMOTION ORDER; AND (2) 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: (X) PERSONS FALLING WITHIN ONE OF THE CATEGORIES OF INVESTMENT PROFESSIONALS 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**"); (Y) PERSONS FALLING WITHIN ANY OF THE CATEGORIES OF PERSONS DESCRIBED IN ARTICLE 22 (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE PROMOTION OF CISs ORDER; AND (Z) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE MADE IN ACCORDANCE WITH THE PROMOTION OF CISs ORDER (EACH SUCH PERSON BEING REFERRED TO AS A "**RELEVANT PERSON**"). THIS COMMUNICATION IS BEING DIRECTED ONLY AT RELEVANT PERSONS AND ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. NO PERSON OTHER THAN A RELEVANT PERSON SHOULD RELY ON IT.

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

**CONFIRMATION OF YOUR REPRESENTATION:** By accessing the Base Prospectus you confirm to the Trustee, the Company, the Arrangers and the Dealers that: (i) you understand and agree to the terms set out herein; (ii) you consent to delivery of the Base Prospectus and any amendments or supplements thereto by electronic transmission; (iii) 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 (iv) you acknowledge that you will make your own assessment regarding any *Shari'a*, credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the Certificates (as defined in the Base Prospectus). In order to be eligible to view the Base Prospectus or make an investment decision with respect to the Certificates, investors must be either: (a) QIBs (within the meaning of Rule 144A under the Securities Act) who are QPs that are acquiring the Certificates for their own accounts or the account of another QIB who is also a QP; or (b) non-U.S. persons (as defined in Regulation S) located outside the United States. The Base Prospectus is being sent at your request and by accepting the e-mail and accessing the Base Prospectus, you shall be deemed to have represented to the Trustee, the Company, the Arrangers and the Dealers that: (1) you and any customers you represent are either: (x) QIBs who are also QPs, or (y) non-U.S. persons located outside the United States; (2) you are a person who is permitted under applicable law and regulation to receive the Base Prospectus; and (3) you consent to delivery of the Base Prospectus by electronic transmission.

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 the Base Prospectus to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

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

Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities described herein in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the Base Prospectus who intend to subscribe for or purchase any Certificates are reminded that any subscription or purchase may only be made on the basis of

the information contained in the Base Prospectus as supplemented by the applicable Final Terms (as defined below) (or Pricing Supplement (as defined below), as applicable) and/or supplement(s) to the Base Prospectus (if any). The Base Prospectus may only be communicated to persons in the United Kingdom in circumstances where Section 21(1) of the FSMA does not apply.

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 Trustee, the Company, 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 neither the Trustee, the Company, the Arrangers, the Dealers nor any person who controls them nor any director, officer, employee nor agent of them or 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 Trustee, the Company, the Arrangers and the Dealers. Please ensure that your copy is complete. If you received the Base Prospectus by e-mail, you should not reply by e-mail to this announcement. 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.



# DP WORLD

## DP WORLD CRESCENT LIMITED

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

U.S.\$5,000,000,000

### Trust Certificate Issuance Programme

Under this trust certificate issuance programme (the "**Programme**"), DP World Crescent Limited (in its capacity as issuer and as trustee, the "**Trustee**"), an exempted company incorporated in the Cayman Islands with limited liability, subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the "**Certificates**") denominated in any currency agreed between the Trustee, the Company and the relevant Dealer (as defined herein). The aggregate face amount of all Certificates from time to time outstanding under the Programme will not at any time exceed U.S.\$5,000,000,000 (or its equivalent in other currencies), subject to any increase as described in the Dealer Agreement (as defined herein).

**The Certificates will be limited recourse obligations of the Trustee. An investment in Certificates issued under the Programme involves certain risks. For a discussion of these risks, please see "Risk Factors" on page 1.**

Certificates may only be issued in registered form.

The 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 (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**" shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Certificates.

Each Series (as defined herein) of Certificates issued under the Programme will be constituted by: (i) an amended and restated master declaration of trust dated 2 September 2019 (the "**Master Declaration of Trust**") entered into between the Trustee, DP World PLC (the "**Company**") and Deutsche Trustee Company Limited as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental declaration of trust in relation to the relevant Tranche (each a "**Supplemental Declaration of Trust**" and together with the Master Declaration of Trust, each a "**Declaration of Trust**"). Certificates of each Series confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from a *pro rata* ownership interest in the assets of a relevant trust declared by the Trustee in relation to the relevant Series (each, a "**Trust**") over the relevant Trust Assets (as defined herein).

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") as a base prospectus issued in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of Certificates (other than Non-PR Certificates (as defined below)) described in this Base Prospectus during the period of 12 months after the date hereof. The FCA has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Trustee or the Company nor as an endorsement of the quality of any Certificates, in each case, that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Certificates. This Base Prospectus is valid for a period of 12 months from the date of approval. Applications have been made for such Certificates to be admitted during the period of 12 months after the date hereof to listing on the Official List of the FCA (the "**Official List**") and to trading on the Main Market (the "**Regulated Market**") of the London Stock Exchange plc (the "**London Stock Exchange**"). The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**").

This Base Prospectus has been approved by the Dubai Financial Services Authority (the "**DFSA**") under the DFSA's Markets Rule 2.6 and is therefore an Approved Prospectus for the purposes of Article 14 of the DFSA's Markets Law 2012 (the "**Markets Law**"). Application has also been made to the DFSA for certain Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of securities maintained by the DFSA (the "**DFSA Official List**") and to Nasdaq Dubai for such Certificates to be admitted to trading on Nasdaq Dubai.

References in this Base Prospectus to Certificates (other than Non-PR Certificates) being "**listed**" (and all related references) shall mean that: (i) such Certificates have been admitted to listing on the Official List and admitted to trading on the Regulated Market; and/or (ii) such Certificates have been admitted to listing on the DFSA Official List and admitted to trading on Nasdaq Dubai.

The DFSA does not accept any responsibility for the content of the information included in this Base Prospectus, including the accuracy or completeness of such information. The liability for the content of this Base Prospectus lies with each of the Trustee and the Company. The DFSA has also not assessed the suitability of the Certificates to which this Base Prospectus relates to any particular investor or type of investor and has not determined whether the Certificates are *Shari'a* compliant. If you do not understand the contents of this Base Prospectus or are unsure whether the Certificates to which this Base Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

Notice of the aggregate face amount of Certificates, profit (if any) payable in respect of Certificates, the issue price of Certificates and any other terms and conditions not contained herein which are applicable to each Tranche (as defined herein) of Certificates (other than Non-PR Certificates) will be set out in a final terms document (the "**Final Terms**") which, with respect to Certificates to be listed on the Official List, will be delivered to the FCA and the London Stock Exchange and which, with respect to Certificates to be listed on the DFSA Official List, will be delivered to the DFSA and Nasdaq Dubai.

The Programme also permits Certificates to be issued on the basis that they will either: (a) not be admitted to listing, trading on a regulated market for the purposes of MiFID II in the European Economic Area ("**EEA**") and/or quotation by any competent authority, stock exchange and/or quotation system; or (b) be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Trustee, the Company and the relevant Dealer ("**Non-PR Certificates**") and, accordingly, no base prospectus will be required to be produced in accordance with the Prospectus Regulation. Any terms and conditions not contained herein which are applicable to each Tranche of Non-PR Certificates will be set out in a pricing supplement (the "**Pricing Supplement**").

The 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. In addition, the Trustee is not and will not be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), in reliance on the exemption provided by Section 3(c)7 thereof. Accordingly, the Certificates are being offered and sold: (1) within the United States to "qualified institutional buyers" (each a "**QIB**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") who are also "qualified purchasers" (each, a "**QP**") as defined in Section 2(a)(51) of the Investment Company Act in reliance on the exemption from registration provided by Rule 144A (the "**Restricted Certificates**"); and (2) to non-U.S. persons in offshore transactions in reliance on Regulation S (the "**Unrestricted Certificates**") and, in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. See "*Form of the Certificates*" for a description of the manner in which Certificates will be issued. Prospective purchasers are hereby notified that the offer and sale of Restricted Certificates to it may be made in reliance on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".

The Trustee is a "covered fund" for the purposes of the "Volcker Rule" contained in Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The acquisition of the Certificates is likely to be considered an acquisition of an "ownership interest" (as that term is used in the Volcker Rule) in a "covered fund". Accordingly, entities that may be "banking entities" for the purposes of the Volcker Rule, 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, may be restricted from holding the Certificates. **Any prospective investor in the 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. For further information, see "Important Notices".**

The Company has been assigned long-term credit ratings of Baa1 with a "stable outlook" by Moody's Investors Service Ltd. ("**Moody's**") and BBB+ with a "stable outlook" by Fitch Ratings Limited ("**Fitch**"). The United Arab Emirates (the "**UAE**") has been assigned a credit rating of Aa2 by Moody's Investors Service Singapore Pte. Ltd. The rating of certain Tranche of Certificates to be issued under the Programme and the credit rating agency issuing such rating may be specified in the applicable Final Terms (or Pricing Supplement, as applicable).

Moody's Investors Service Singapore Pte. Ltd. is not established in the European Union ("**EU**") and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The rating has been endorsed by Moody's in accordance with the CRA Regulation. Each of Fitch and Moody's is established in the EU and is registered under the CRA Regulation. As such, each of Fitch and Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <http://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Limited information with respect to ratings will be disclosed in the applicable Final Terms (or Pricing Supplement, as applicable). **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, change or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating.**

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the *Shari'a* Advisory Board of Citi Islamic Investment Bank E.C., the Fatwa and Sharia Supervisory Board of Dubai Islamic Bank PJSC, the First Abu Dhabi Bank Internal *Shariah* Supervision Committee and the Central *Shariah* Committee of HSBC Bank Middle East Limited. Prospective Certificateholders should not rely on the approval referred to above in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in the approval referred to above is in compliance with *Shari'a* principles.

#### ARRANGERS

Citigroup  
Dubai Islamic Bank  
First Abu Dhabi Bank

Deutsche Bank  
Emirates NBD Capital  
HSBC

#### DEALERS

Citigroup  
Dubai Islamic Bank  
First Abu Dhabi Bank

Deutsche Bank  
Emirates NBD Capital  
HSBC

Standard Chartered Bank

## IMPORTANT NOTICE

This Base Prospectus complies with the requirements in Part 2 of the Markets Law and Chapter 2 of the Markets Rules and comprises a base prospectus for the purposes of the Prospectus Regulation and for the purpose of giving information with regard to the Trustee, the Company, the Group (as defined herein) and the Certificates which, according to the particular nature of the Trustee, the Company, the Group and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Trustee and the Company.

Each of the Trustee and the Company accepts responsibility for the information contained in this Base Prospectus and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect the import of such information. Each of the Trustee and the Company confirms that it has taken all reasonable care to ensure that such is the case.

Each Tranche of Certificates will be issued on the terms set out herein under "*Terms and Conditions of the Manafae Series Certificates*" or "*Terms and Conditions of the Wakala Series Certificates*" (as applicable) (the "**Conditions**") as supplemented by the applicable Final Terms (or Pricing Supplement, as applicable). This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Certificates which is the subject of a Final Terms (or a Pricing Supplement, as applicable), must be read and construed together with the applicable Final Terms (or Pricing Supplement, as applicable).

The only persons authorised to use this Base Prospectus in connection with an offer of Certificates are the relevant Dealers or the Managers (as identified in the applicable Final Terms (or Pricing Supplement, as applicable)), as the case may be.

Copies of the applicable Final Terms (or Pricing Supplement, as applicable) will be available from the registered office of the Trustee and the specified office of the Issuing and Paying Agent, save that a Pricing Supplement will only be available for inspection by a holder of a Non-PR Certificate and such holder must produce evidence satisfactory to the Trustee or the Issuing and Paying Agent (as applicable) as to its holding of such Certificates and identity.

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

None of the Arrangers, the Dealers, the Delegate or the Agents have independently verified the information contained herein and, accordingly, none of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates make any representation, warranty or undertaking, express or implied, in respect thereof, or accepts any responsibility or liability, as to: (i) the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Trustee or the Company in connection with the Programme or any issuance of Certificates thereunder; (ii) any other statement made, or purported to be made, by any other Arranger or Dealer or on its behalf in connection with the Trustee, the Company, this Base Prospectus or the issue and offering of Certificates under the Programme; or (iii) any acts or omissions of the Trustee, the Company or any other person in connection with this Base Prospectus or the issue and offering of Certificates under the Programme. Nothing contained in this Base Prospectus, is or should be relied upon as, a promise or representation, whether as to the past or the future. Each of the Arrangers, the Dealers, the Delegate and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Certificates: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Trustee, the Company, the Arrangers, the Dealers, the Delegate or the Agents that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Certificates should purchase any Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee and the Company.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Certificates shall in any circumstances imply that the information contained herein concerning the Trustee and the Company is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Trustee, the Company or the Group since the date of this Base Prospectus. The Arrangers, the Dealers, the Delegate and the Agents expressly do not undertake to review the financial condition or affairs of the Trustee or the Company during the life of the Programme or to advise any investor in the Certificates 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 Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. If a jurisdiction requires that an offering of securities described in this Base Prospectus be made by a licensed broker or dealer, such offering shall be deemed to be made by each Arranger or Dealer (that is not a licensed broker or dealer in that jurisdiction) on behalf of the Trustee through its registered affiliate that is a licensed broker or dealer in that jurisdiction. The distribution of this Base Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. None of the Trustee, the Company, the Arrangers or the Dealers represents that this Base Prospectus may be lawfully distributed, or that any 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 Trustee, the Company, the Arrangers or the Dealers which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no 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 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 Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the Cayman Islands, the Dubai International Financial Centre (the "DIFC"), the EEA, Japan, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Malaysia, the Republic of Italy, State of Qatar (including the Qatar Financial Centre), Singapore, the UAE (excluding the DIFC), the United Kingdom and the United States (see further "*Subscription and Sale and Transfer and Selling Restrictions*").

The requirement to publish a base prospectus under the Prospectus Regulation only applies to Certificates which are to be admitted to trading on a regulated market for the purposes of MiFID II in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 4 of the Prospectus Regulation. References in this Base Prospectus to "Non-PR Certificates" are to Certificates issued by the Trustee for which no base prospectus is required to be published under the Prospectus Regulation. The Non-PR Certificates do not form part of this Base Prospectus for the purposes of the Prospectus Regulation and the FCA has neither approved nor reviewed information contained in this Base Prospectus in connection with Non-PR Certificates.

Neither this Base Prospectus nor any Final Terms (or Pricing Supplement, as applicable) constitutes an offer or an invitation to subscribe for or purchase any Certificates and should not be considered as a recommendation by the Trustee, the Company, the Arrangers, the Dealers, the Delegate or the Agents that any recipient of this Base Prospectus or any Final Terms (or Pricing Supplement, as applicable) should subscribe for or purchase any Certificates. Each recipient of this Base Prospectus or any Final Terms (or Pricing Supplement, as applicable) shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and the Company.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Certificates or possess this Base Prospectus. Any consents or approvals that are needed in order to purchase any Certificates must be obtained prior to the deadline specified for any such consent or approval. The Trustee, the Company, the Arrangers, the Dealers, the Delegate, the Agents and their affiliates are not responsible for compliance with these legal requirements.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in Certificates and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including Certificates with principal or profit payable in one or more currencies, or where the currency for principal or profit payments is different from the potential investor's currency;
- understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets; and
- be 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.

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

None of the Trustee, the Company, any Arranger or any Dealer has authorised, nor does it authorise, the making of any offer of Certificates in circumstances in which an obligation arises for the Trustee, the Company, any Arranger or any Dealer to publish or supplement a prospectus for such offer.

In making an investment decision, investors must rely on their own independent examination of the Trustee and the Company and the terms of the Certificates being offered, including the merits and risks involved.

None of the Trustee, the Company, any Arranger, any Dealer, the Delegate or the Agents makes any representation to any investor in the Certificates regarding the legality of its investment under any applicable laws. Any investor in the Certificates should be able to bear the economic risk of an investment in the Certificates for an indefinite period of time.

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

#### **NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS**

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

#### **NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN**

In relation to investors in the Kingdom of Bahrain, 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 as defined by the Central Bank of Bahrain (the "CBB") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.



This Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no 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 related offering documents and it has not in any way considered the merits of the securities 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 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 THE KINGDOM OF SAUDI ARABIA**

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

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

#### **NOTICE TO RESIDENTS OF MALAYSIA**

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base Prospectus and any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories of persons set out in Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia, as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time. The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Company and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

#### **NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SFA**

The applicable Final Terms (or Pricing Supplement, as applicable) in respect of any Series of Certificates may include a legend entitled "*Singapore Securities and Futures Act Product Classification*" which will state the product classification of the Certificates pursuant to Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"). The Trustee will make a determination in relation to each issue about the classification of the Certificates being offered for the purposes of section 309B(1)(a). Any such legend included on the applicable Final Terms (or Pricing Supplement, as applicable) will constitute notice to "relevant persons" for the purposes of section 309B(1)(c) of the SFA.

#### **NOTICE TO RESIDENTS OF THE STATE OF QATAR**

Any Certificates to be issued under the Programme will not be offered, sold or delivered, at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by, or registered with, the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or the Qatar Stock Exchange in accordance with their regulations or any other

regulations in the State of Qatar. The Certificates are not and will not be traded on the Qatar Stock Exchange. The Certificates and interests therein will not be offered to investors domiciled or resident in the State of 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 UNITED KINGDOM**

Any 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 FCA. Accordingly, 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 applicable Final Terms, any applicable Pricing Supplement and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the distribution of the Certificates (whether or not such 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 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 applicable Final Terms, any applicable Pricing Supplement or any other marketing materials in relation to the Certificates.

Prospective investors in the United Kingdom in any 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 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.

### **U.S. INFORMATION**

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs who are also QPs for informational use solely in connection with the consideration of the purchase of the Certificates being offered hereby. Its use for any other purpose in the United States is not authorised. It 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 Certificates may be offered or sold within the United States only to persons who are QIBs who are also QPs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Prospective purchasers are hereby notified that the offer and sale of Certificates to it may be made in reliance on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

**NEITHER THE PROGRAMME NOR THE CERTIFICATES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY SECURITIES COMMISSION OF ANY STATE IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED**

**UPON OR ENDORSED THE MERITS OF THE OFFERING OF CERTIFICATES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

The 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. 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 and any applicable securities law of any state or other jurisdiction of the United States. The Certificates are being offered or sold to non-U.S. persons in offshore transactions in reliance on Regulation S and within the United States only to persons who are QIBs who are also QPs in reliance on Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Certificates and distribution of this Base Prospectus, see "*Subscription and Sale and Transfer and Selling Restrictions*".

The Trustee is not and will not be registered under the Investment Company Act.

Each investor, by purchasing a Certificate, agrees that the Certificates may be reoffered, resold, pledged or otherwise transferred only upon registration under the Securities Act and the Investment Company Act or pursuant to the exemptions therefrom described under "*Subscription and Sale and Transfer and Selling Restrictions*". As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

Each purchaser or holder of Certificates represented by a Restricted Global Certificate or any Certificates issued in exchange or substitution therefor (together, the "**Legended Certificates**") will be deemed, by its acceptance or purchase of any such Legended Certificates, to have made certain representations and agreements intended to restrict the resale or other transfer of such Certificates as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Any transfer in breach of the transfer restrictions set forth in "*Subscription and Sale and Transfer and Selling Restrictions*" will be null and void *ab initio*, and will not operate to transfer any rights to any transferee. Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Certificates*".

#### **VOLCKER RULE**

The Trustee is a "covered fund" for the purposes of the "Volcker Rule" contained in Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the Investment Company Act, but for the exemption provided under Section 3(c)(1) or 3(c)(7) thereunder. Since the Trustee intends to rely on Section 3(c)(7) of the Investment Company Act for its exemption from registration thereunder (which limits sales of the Certificates to QPs), it is considered to be a covered fund. 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. "Ownership interest" under the Volcker Rule is defined broadly to include any participation or other interest that entitles the holder of such interest to, amongst other things: (i) vote to remove management or otherwise, other than as a creditor exercising remedies upon an event of default, (ii) share in the income, gains, profits or excess spread of the covered fund or (iii) receive underlying assets of the covered fund.

The acquisition of the Certificates is likely to be considered an acquisition of an "ownership interest" (as that term is used in the Volcker Rule) in a "covered fund". Accordingly, entities that may be banking entities for the purposes of the Volcker Rule may be restricted from holding the Certificates. **Any prospective investor in the 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.**

#### **AVAILABLE INFORMATION**

The Trustee has agreed that, for so long as any Certificates are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, the Trustee (failing whom, the Company) will, during any period that it is neither subject to Section 13 or 15(d) of the U.S. Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting requirements pursuant to and in compliance with Rule 12g3-2(b) thereunder, furnish, upon request, to any holder or beneficial owner of Certificates in connection with

any resale thereof or any prospective purchaser designated by any such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

### **SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES**

The Trustee is incorporated in and under the laws of the Cayman Islands, the Company is incorporated in and under the laws issued by the DIFC, the Company's headquarters are located in Dubai and a substantial portion of the assets of the Trustee and the Company is located in the UAE and a number of other jurisdictions outside the United Kingdom and the United States. As a result, prospective investors may have difficulty effecting service of process in the United Kingdom or the United States upon the Trustee or the Company in connection with any lawsuits related to the Certificates, including actions arising under the laws of the United Kingdom or the federal securities laws of the United States.

The Certificates are governed by English law and disputes in respect of them may be settled under the Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**"), with a seat in London, England. In addition, actions in respect of the Certificates may be brought in the English courts. Investors may have difficulty enforcing foreign judgments and arbitration awards against the Company in the courts of the DIFC (see further "*Risk Factors – Risks Related to Enforcement – Investors may experience some difficulty in enforcing arbitration awards and foreign judgments against the Company*").

### **BENCHMARKS REGULATION**

Amounts payable on certain Certificates issued under the Programme may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms (or Pricing Supplement, as applicable) will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms (or Pricing Supplement, as applicable). The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Trustee does not intend to update the Final Terms (or Pricing Supplement, as applicable) to reflect any change in the registration status of the administrator.

### **MIFID PRODUCT GOVERNANCE RULES**

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

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

### **IMPORTANT – EEA RETAIL INVESTORS**

If the Final Terms (or Pricing Supplement, as applicable) in respect of any Certificates include a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Certificates or otherwise making them

available to retail investors in the EEA has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## STABILISATION

In connection with the issue of any Tranche of Certificates, the Dealer or Dealers (if any) named as the stabilisation manager(s) in the applicable Final Terms (or Pricing Supplement, as applicable) (the "**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) may effect transactions with a view to supporting the market price of the Certificates during the stabilisation period at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the Issue Date (as defined in the Conditions) 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 Certificates and 60 days after the date of the allotment of the relevant Tranches. 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.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward-looking statements. Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying such forward-looking statements. When used in this document, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Description of DP World*" and other sections of this Base Prospectus. The Company has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Company believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as at the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Company has otherwise identified in this Base Prospectus, or if any of the Company's underlying assumptions prove to be incomplete or inaccurate, the Company's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- changes in global trading volumes and regional import and export volumes;
- the Company's ability to achieve and manage growth, whether through organic growth or by winning new concessions or through bolt-on acquisitions;
- the Company's exposure to certain risks in respect of the expansion of terminals and port facilities and the development of new terminals and port facilities;
- the Company's indebtedness adversely affecting its ability to raise additional capital to fund its operations;
- changes in political, social and economic stability associated with countries and regions in which the Company operates;
- the political and economic conditions in the UAE and the Middle East;
- significant competition in the container terminal industry for concessions and throughput;
- the Company's ability to maintain and renew concession agreements at its existing facilities;
- failure to comply with a wide variety of regulations applicable to the Group's business;
- fluctuations in the currency exchange rates in the markets in which the Group operates;
- any future impairment of the Company's goodwill relating to subsidiaries, joint ventures and associates which may represent a reduction in future cashflows; and

- the ability of the Company's ultimate shareholder, Dubai World, and the Government, to exert significant influence over the Company and/or their interests conflicting with those of the Company and/or holders of the Company's debt, including Certificateholders.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*".

Any forward-looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Trustee and the Company expressly disclaim 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 such forward-looking statement is based.

## **PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION**

### **Presentation of Historic Financial Information**

The financial information relating to the Group as set out in this Base Prospectus has been derived from: (i) the unaudited condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2019 (including the comparative information as at and for the six months ended 30 June 2018) (the "**DPW H1 2019 Unaudited Financial Statements**") which have been prepared in accordance with International Auditing Standard 34 (Interim Financial Reporting) ("**IAS 34**"); and (ii) the audited consolidated financial statements of the Group as at and for the year ended 31 December 2018 (including the comparative information as at and for the year ended 31 December 2017) (the "**DPW 2018 Financial Statements**") and the audited consolidated financial statements of the Group as at and for the year ended 31 December 2017 (including the comparative information as at and for the year ended 31 December 2016) (the "**DPW 2017 Financial Statements**" and, together with the DPW 2018 Financial Statements, the "**DPW Audited Financial Statements**") which have been prepared and presented in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**").

The DPW H1 2019 Unaudited Financial Statements and the DPW Audited Financial Statements are together referred to in this Base Prospectus as the "**DPW Financial Statements**".

As the DPW H1 2019 Unaudited Financial Statements were prepared in accordance with the new IFRS 16, they may not be fully comparable to the DPW Audited Financial Statements (see further "*Presentation of Certain Financial and Other Information – Change in Presentation of Leases*").

The DPW Financial Statements are presented in U.S. dollars.

The Group's financial year ends on 31 December and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year.

### **Change in Presentation of Leases**

The IASB has introduced a new lease standard IFRS 16, which supersedes IAS 17 leases, which the Group is required to apply with effect from 1 January 2019. The Group has applied IFRS 16 with effect from 1 January 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated.

On transition to IFRS 16, the Group recognised additional right-of-use assets, including investment property and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

	<b>1 January 2019</b>
	<i>(U.S. dollars in thousands)</i>
Right-of-use asset.....	1,527,761
Deferred tax asset/current tax.....	22,293
Retained earnings.....	396,652
Non-controlling interests.....	16,399
Investment in equity-accounted investees.....	(47,574)
Lease liabilities.....	(1,915,531)

For measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019 which were in the range of 4 per cent. per annum to 12 per cent. per annum

	<b>1 January 2019</b>
	<i>(U.S. dollars in thousands)</i>
Operating lease commitments at 31 December 2018.....	7,816,542
Discounted using the lessee's incremental borrowing rate at 1 January 2019.....	1,915,531
Add: finance lease liabilities recognised as at 31 December 2018.....	23,207
Total lease liability recognised as at 1 January 2019.....	1,938,738

Due to the application of IFRS 16, the Group has recognised amortisation and interest costs, instead of operating lease expense. During the six months ended 30 June 2019, the Group recognised U.S.\$60,357 thousand of amortisation charge and U.S.\$66,740 thousand of interest costs from these leases.

The Group leases out its investment property as a lessor. The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which the Group is a lessor.

See Note 3 (*Changes in significant accounting policies*) to the DPW H1 2019 Unaudited Financial Statements for further information.

### **Non-IFRS Measures, Separately Disclosed Items and Alternative Performance Measures**

The Group presents in the DPW Financial Statements, as separately disclosed items ("**SDIs**") on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation to allow users to understand better the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance. See Note 8 (*Separately disclosed items*) to the DPW H1 2019 Unaudited Financial Statements, Note 9 (*Separately disclosed items*) to the DPW 2018 Financial Statements and Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements for further information regarding SDIs. This Base Prospectus also includes certain financial items that are calculated as "before separately disclosed items" or "before SDIs". These financial items, including revenue before separately disclosed items, cost of sales before separately disclosed items, finance income before separately disclosed items, finance cost before separately disclosed items, general and administrative expenses before separately disclosed items, share of profit from equity-accounted investees before separately disclosed items, income tax before separately disclosed items and profit after tax before separately disclosed items, do not purport to be alternatives to the financial statements captions (i.e. revenue, cost of sales etc.).

Earnings before interest, taxes, depreciation and amortisation ("**EBITDA**"), a measure used by management to measure operating performance, is defined as profit after tax from continuing operations plus finance costs (net of finance income), income tax expense, depreciation and amortisation. "**Adjusted EBITDA**" is defined as EBITDA further adjusted to remove the impact of SDIs.

SDIs, financial items calculated before separately disclosed items, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net Debt (as defined in "*Selected Financial Information of the Group*"), Net Debt to Adjusted EBITDA, Interest Cover (as defined in "*Selected Financial Information of the Group*") and Like-for-Like (as defined below) metrics are not recognised terms under IFRS or U.S. generally accepted

accounting principles. EBITDA and Adjusted EBITDA do not purport to be alternatives to profit after tax from continuing operations as measures of operating performance or to cash flows from operating activities as measures of liquidity. Additionally, EBITDA and Adjusted EBITDA are not intended to be measures of free cash flow available for management's discretionary use, as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. The Company's management believes that EBITDA and Adjusted EBITDA are helpful in highlighting trends because they exclude certain items that are outside the normal course of business and can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. The Company's management uses EBITDA and Adjusted EBITDA to supplement IFRS results to provide a more complete understanding of the factors and trends affecting the business than IFRS results alone. Since not all companies use identical calculations, these presentations of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies. See "*Selected Financial Information of the Group*" for a description of EBITDA and Adjusted EBITDA as well as certain other non-IFRS measures.

As used herein, "**Net Operating Assets**" is calculated by subtracting all non-interest bearing liabilities of the Group from the Group's total assets.

Management also refers to "**Like-for-Like**" in order to normalise for divestments, addition of new capacity and exchange rates. Some of the financial and operation measures presented herein on a Like-for-Like basis include: gross throughput, consolidated throughput, revenue, share of profit from equity-accounted investees, Adjusted EBITDA, Adjusted EBITDA margin, profit for the period and profit for the period attributable to owners of the company.

When comparing the six months ended 30 June 2019 to the six months ended 30 June 2018, Like-for-Like figures exclude for both periods: (i) the new additions at Yiwu (China), Continental Warehousing Corporation (India), Winter Logistics (India), Cosmos Agencia Marítima (Peru), Aydi Manpower Company (UAE), Unifeeder (Denmark) and Puertos y Logística (Chile); (ii) the discontinuation in 2019 of Surabaya (Indonesia), Antwerp East (Belgium) and DP World Liege Antwerp (Belgium); (iii) the discontinuation in 2018 of Doraleh (Djibouti); (iv) on 28 February 2019, the Group acquired additional 35.25 per cent. ownership in DP World Australia (Holding) Pty Ltd. and, as a result of this transaction, the Group's equity interest increased from 25 per cent. to 60.25 per cent., obtaining control of this entity (the "**Australia Consolidation**"); (v) the impact of implementing IFRS 16; and (vi) the impact of exchange rate movements (because the Group's financial results are translated into U.S. dollars for reporting purposes).

When comparing the year ended 31 December 2018 to the year ended 31 December 2017, Like-for-Like figures exclude for both periods: (a) the new additions at Berbera (Somaliland), Kigali (Rwanda), Limassol (Cyprus), Reyser (Spain) and Mina Rashid Marina (UAE); (b) the acquisition of Continental Warehousing Corporation (India), Cosmos Agencia Marítima (Peru), Drydocks World LLC (UAE), Dubai Maritime City (UAE) and Unifeeder Group (Denmark); (c) the discontinuation of Doraleh (Djibouti) and Saigon (Vietnam); (d) the consolidation of DP World Santos (Brazil); and (e) the impact of exchange rate movements. When comparing the year ended 31 December 2017 to the year ended 31 December 2016, Like-for-Like figures exclude for both periods: (1) the new additions at Berbera (Somaliland), DP World Lurin (Peru), Limassol (Cyprus), Kigali (Rwanda), Posorja (Ecuador), Saint John (Canada) and Yarimca (Turkey); (2) the consolidation of Pusan Newport Company Limited (South Korea) and DP World Santos (Brazil); and (3) the impact of exchange rate movements.

Certain financial measures presented by the Company in this Base Prospectus are not defined in accordance with IFRS accounting standards. The Company believes that these alternative performance measures (as defined in the ESMA guidelines (the "**ESMA Guidelines**") on Alternative Performance Measures ("**APMs**")) provide useful supplementary information to both investors and to the Company's management, as they facilitate the evaluation of underlying business performance across financial reporting periods. However, investors should note that, since not all companies calculate financial measurements, such as the APMs presented by the Company in this Base Prospectus, in the same manner, these are not always directly comparable to performance metrics used by other companies.

Additionally, the APMs presented by the Company in this Base Prospectus are unaudited and have not been prepared in accordance with IFRS, U.S. GAAP or any other accounting standards. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS.



For the purposes of the ESMA Guidelines, the Company considers that the EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net Debt, Net Debt to Adjusted EBITDA, Interest Cover and Like-for-Like metrics constitute APMs. For a description and reconciliation to the DPW Financial Statements of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net Debt and Net Debt to Adjusted EBITDA, see "*Selected Financial Information of the Group*".

### **Certain Operational Terminology**

"**Bulk cargo**" and "**Break bulk cargo**" are part of the Group's non-containerised revenue and mainly include bulk cement, steel and roll-on/roll-off ("Ro-Ro") volumes in the UAE.

"**Capacity**" refers to the theoretical amount of throughput that a container terminal could handle in a year and is generally based on the size of the terminal's container stacking area and the capacity of its quay, which in turn is based on the length of the quay and the capacity of the ship-to-shore cranes that are available.

"**Consolidated throughput**" refers to throughput from all terminals where the Group has control as per IFRS.

"**Gross capacity**" refers to the capacity of a container terminal in the Company's portfolio, regardless of the Company's economic interest in such terminal.

"**Gross throughput**" refers to the total amount of throughput that a container terminal in the Company's portfolio handled over a period of time, regardless of the Company's economic interest in such terminal or whether the Company held such terminal for the entirety of such period.

"**TEU**" is a volume figure in this Base Prospectus and is a twenty-foot equivalent unit that is based on the dimensions of a cargo container 20 feet long by 8 feet wide by 8 feet 6 inches high, with a maximum load of 24 metric tons (including the mass of the container itself, or the "tare" weight).

"**Throughput**" is a measure of container handling activity. The two main categories of container throughput are origin and destination ("**O&D**"), which is also often referred to as import and export, and transshipment. Every container shipped by sea is by definition an export container at the origination terminal and an import container at the destination terminal. A container that is transferred from one ship to another at some point during the journey is said to be transhipped, which gives rise to transshipment throughput at an intermediate terminal somewhere between the load terminal and the discharge terminal. Throughput includes the handling of imports, exports, empty containers and transshipments.

### **Presentation of Market, Market Share and Industry Data**

The market, market share and industry data contained in this Base Prospectus has been derived from a number of publicly available sources and industry reports. In particular, information and data relating to the international container shipping industry has been derived from reports, databases (including the IMF World Economic Outlook, April 2019 and Drewry Shipping Consultants Ltd ("**Drewry**") Annual Review and Forecast of Global Container Terminal Operators 2019 and the Drewry Container Forecaster Q2 2019 as well as other sources made available in the public domain).

The Trustee and the Company confirm that all third party information contained in this Base Prospectus has been accurately reproduced and, so far as the Trustee and the Company is aware and has been able to ascertain from information published by the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

However, the accuracy of such information is subject to the availability and reliability of the data supporting such information and neither the published information nor the underlying data has been independently verified. In addition, the methodology of Drewry and of other industry sources for collecting information and data, and therefore the reported information, may differ from that used by the Company to compile its own operational data and from the methodologies employed by other sources, and does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the container shipping industry. Drewry has made no representation, express or implied, and has not accepted any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus.

## Certain Defined Terms

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed thereto in the Conditions or any other section of this Base Prospectus. In addition, unless the context requires or this Base Prospectus states otherwise, the following terms as used in this Base Prospectus have the meanings defined below:

- references to the "**Company**" or "**DP World**" herein are to DP World PLC, a public company incorporated in the DIFC with Registration Number 0226 issued on 9 August 2006;
- references to the "**JAFZ Concession Agreement**" herein are to the concession agreement between JAFZA and JAFZ dated 13 November 2007 and amended and restated on 29 April 2012, pursuant to which JAFZA granted JAFZ a concession with exclusive rights and privileges to provide certain licensing and administration services (the "**Services**") within the specified area that comprises substantially all of the Free Zone (the "**JAFZ Concession Area**");
- references to the "**JAFZ Concession Documents**" herein are to the JAFZ Concession Agreement and the JAFZ Usufruct Agreement;
- references to "**Dubai**" herein are to the Emirate of Dubai;
- references to "**EZW**" herein are to Economic Zones World FZE;
- references to the "**EZW Acquisition**" herein are to the acquisition by the Company of the EZW Group from PFZW on 16 March 2015 (see further "*Description of DP World – History – Regional and international expansion through acquisitions – EZW Group*");
- references to the "**EZW Group**" herein are to EZW, together with its subsidiaries and subsidiary undertakings;
- references to the "**Free Zone**" herein are to the Jebel Ali Free Zone;
- references to the "**GCC**" herein are to the Gulf Cooperation Council;
- references to the "**Government**" herein are to the Government of Dubai;
- unless otherwise specified or the context otherwise requires, references to the "**Group**" herein are to the Company, together with its consolidated subsidiaries, joint ventures and associates;
- references to "**JAFZ**" herein are to Jebel Ali Free Zone FZE;
- references to "**JAFZA**" herein are to the Jebel Ali Free Zone Authority;
- references to "**PFZW**" herein are to the Port and Free Zone World FZE;
- references to "**P&O**" herein are to The Peninsular and Oriental Steam Navigation Company, a company incorporated in the United Kingdom by Royal Charter with limited liability with company number Z73;
- references to the "**UAE**" herein are to the United Arab Emirates; and
- references to the "**JAFZ Usufruct Agreement**" are to the usufruct agreement dated 13 November 2007 and amended and restated on 29 April 2012 pursuant to which JAFZA granted JAFZ exclusive rights (the "**JAFZ Usufruct Rights**") to use and benefit from the JAFZ Concession Area and the fixed assets contained therein.

The Certificates issued under the Programme may be issued in a manafae series (a "**Manafae Series**") or a wakala series (a "**Wakala Series**"). Accordingly, unless the context requires or this Base Prospectus states otherwise, references herein to associated terminology (including, but not limited to, Certificateholders, Certificates, Conditions, Definitive Certificates, Global Certificates, Series, Tranche, Transaction Account, Transaction Documents, Trust and Trust Assets) are to such terms as applicable to the Manafae Series and/or Wakala Series.

## Certain Conventions

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

All references in this Base Prospectus to: (i) "**AED**" and "**UAE dirham**" are to the UAE dirham, being the legal currency of the UAE (the 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 dirham is at a fixed rate of AED 3.6725 = U.S.\$1.00); (ii) "**EUR**", "**Euro**", "**euro**" and "**€**" are to the 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; (iii) "**Sterling**" and "**£**" are to pounds sterling, being the legal currency of the United Kingdom ("**U.K.**"); and (iv) "**U.S.\$**" and "**U.S. dollars**" are to United States dollars, being the lawful currency of the United States of America (the "**United States**" or the "**U.S.**").

References to a "**billion**" are to a thousand million.

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

## SUPPLEMENTARY PROSPECTUS

If at any time the Trustee and the Company are required to prepare a supplementary prospectus pursuant to section 87G of the FSMA, the Trustee and the Company will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Certificates to be listed on the Official List and admitted to trading on the Regulated Market, shall constitute a supplementary prospectus as required by the FCA and section 87G of the FSMA.

Each of the Trustee and the Company 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 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 and prospects of the Trustee or the Company, and the rights attaching to the Certificates, the Trustee and the Company shall prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Certificates and shall supply to each Arranger and Dealer such number of copies of such supplement hereto as such Arranger and/or Dealer may reasonably request.

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## **RISK FACTORS**

*Each of the Trustee and the Company believes that the following factors may affect its ability to fulfil its obligations under Certificates issued under the Programme or, as the case may be, the Transaction Documents. All of these factors are contingencies which may or may not occur. In addition, factors which are material for the purpose of assessing the market risks associated with the Certificates issued under the Programme are also described below.*

*If any of the risks described below actually materialise, the Trustee's, the Company's and the Group's business, results of operations, financial condition or prospects could be materially and adversely affected. If that were to happen, the trading price of the Certificates could decline, and investors could lose all or part of their investment.*

*Each of the Trustee and the Company believes that the factors described below represent all the material risks inherent in investing in Certificates issued under the Programme, but the inability of the Trustee to pay Periodic Distribution Amounts, Partial Dissolution Amounts, Dissolution Amounts or any other amounts on or in connection with any Certificates may occur for other reasons which may not be considered significant risks by the Trustee or the Company based on information currently available to them or which they may not currently be able to anticipate. 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.*

*Unless otherwise specified or the context otherwise requires, capitalised terms defined in the Conditions shall have the same meanings when used herein.*

### **Risks Related to the Trustee**

The Trustee was incorporated under the laws of the Cayman Islands on 14 April 2016 as an exempted company with limited liability and has limited operating history. The Trustee will not engage in any business activity other than the issuance of Certificates under the Programme, the acquisition of the Trust Assets relating to each Series of Certificates, acting in the capacity as Trustee, and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Certificates, including its right to receive payments from the Company under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates of each Series will primarily be dependent upon receipt by the Trustee from the Company of all amounts due under the relevant Transaction Documents. Therefore the Trustee is subject to all the risks to which the Company is subject to the extent that such risks could limit the Company's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents to which it is a party. In the event of any shortfall in such amounts, the ability of the Trustee to meet payment obligations under the Certificates may be adversely affected (see further "*Risk Factors – Risks Related to the Certificates – The Certificates are limited recourse obligations*").

### **Risks Related to the Group**

#### ***The Group's results of operations can be adversely impacted by declines in global trading volumes***

The Group's results of operations can be affected by the volume of its business, which in turn depends on worldwide trade volumes as well as the import and export volumes of the regions in which the Group operates. The Group derives and will continue to derive a significant part of its revenue from customers in the UAE and worldwide and as a result, in common with other multi-national organisations, the occurrence of any negative economic, political or geographical events in these locations could have an adverse impact on revenues. This in turn could cause the Group's business to be harmed.

Global trading volumes can be affected by, amongst other factors:

- changing economic cycles and other macro-economic developments;
- the imposition of tariffs, trade barriers, sanctions, boycotts and other restrictions;
- the levels of inflation and interest rates in the regions in which the Group operates;

- significant variations in the exchange rates applicable to currencies in the regions in which the Group operates;
- government reactions to economic conditions and developments;
- the development of emerging market economies and government policies;
- fluctuations in the price of oil to the extent that they impact global trade and macro-economic growth in the regions the Group operates;
- trade disputes and work stoppages, particularly in the transportation services industry; and
- acts of war, hostilities, natural disasters, epidemics or terrorism.

For instance, according to a press release by the World Trade Organisation ("**WTO**") in April 2019, world trade grew more slowly than expected in 2018 due to (among other factors) new tariffs and retaliatory measures affecting widely-traded goods, weaker global economic growth, volatility in financial markets and tighter monetary conditions in developed countries. According to preliminary WTO estimates, world trade growth in 2018 was approximately 3 per cent.

Region-specific factors affecting trading volumes may also result in the shifting of trade routes. For instance, the trade war between the U.S. and the People's Republic of China ("**China**") has resulted in, amongst other measures, Chinese tariffs being imposed on U.S. grain cargoes. Instead of resulting in a trade halt, this has caused an increase in the South America grain export to China. Similarly, Chinese import taxation on U.S. soybeans has resulted in the same being exported to Europe and the Middle East instead.

Regulatory changes may also impact the supply or demand side and/or the costs of global trade and thereby impact trade volumes. For instance, according to the Drewry Container Forecaster Q2 2019, the International Maritime Organisation's implementation of its "IMO 2020" regulations (reducing the current 3.5 per cent. global sulphur cap on fuel content to 0.5 per cent. from 1 January 2020) is expected to increase the container industry's fuel costs by approximately U.S.\$15 billion. Carriers will need to pass on some of this cost hike to customers causing an increase in the global freight rates. This, in turn, may result in lower trade volumes.

If global trading volumes decline significantly in future periods as a consequence of global economic or political events, or if trade routes shift away from ports operated by the Group for similar reasons, the Group's business, prospects, results of operation and financial condition, as well as its future growth, could be materially and adversely affected (see further "*Risks Related to the Regions in which the Group Operates – The Group is subject to the risks of political, social and economic instability associated with countries and regions in which the Group operates or may seek to operate*").

***The Company's ultimate majority shareholder, Dubai World, and the Government have the ability to exert significant influence over the Group and their interests may conflict with the interests of the Group or the Certificateholders***

PFZW owns 80.45 per cent. of the Company's issued and outstanding share capital and, therefore, has the ability to exert significant influence over the Group. PFZW is wholly-owned by Dubai World Corporation ("**Dubai World**"), a holding company owned by the Government.

Dubai World implemented a restructuring on 29 June 2011 and its terms require the compliance with certain restrictive covenants by the Group set out in a facilities agreement for Dubai World negotiated by Dubai World with a co-ordinating committee of certain banks, a facility agent and a security agent, originally dated 23 March 2011. Dubai World executed an amendment to this facilities agreement on 18 March 2015, which became effective on 2 April 2015 (together with the original facilities agreement, the "**Facilities Agreement**").

Certain provisions of the Facilities Agreement may restrict Dubai World and its direct and indirect subsidiaries from providing support to the Group should it encounter financial or other difficulties in the future. However, these restrictive covenants do not restrict the Group from conducting its business in the ordinary course as described in this Base Prospectus or from repaying its indebtedness or from discharging its obligations in respect of the Transaction Documents (as further described in the Conditions). In general, a waiver of the requirement for the Supreme Fiscal Committee approval to incur indebtedness exists for

Dubai World subsidiaries, including the Company, and there are no constraints imposed indirectly on the Company as a result of obligations binding on any of its direct or indirect holding companies which are likely to have a material adverse effect on the ability of the Company to perform and comply with its payment and other material obligations in relation to the Transaction Documents.

In addition, Dubai World and the Government may exert control over, among other things:

- election of the Company's directors and, in turn, selection of its management;
- the Group's business policies and strategies, including dividend policy;
- budget approval;
- the issuance of new debt or equity securities and the arrangement of other sources of financing;
- mergers, acquisitions and disposals of the Group's assets or businesses;
- increases or decreases in share capital; and
- amendments to the Company's constitutional documents.

Consequently, there can be no assurance that the resolution of any matter at a general meeting of the shareholders that may involve the interests of Dubai World or the Government, as represented by PFZW, will be resolved in what the Certificateholders would consider to be in their or the Group's best interests. Any such resolution may have a material adverse effect on the business, prospects, results of operation and financial condition of the Group.

***The Group's inability to achieve and manage the growth of its container terminal business, whether through organic growth or by winning new concessions or through bolt-on acquisitions, could adversely impact the Group's business***

The Group's ability to achieve and manage the future growth of its container terminal business will depend upon a number of factors, including the Group's ability to maintain, expand or develop relationships with its customers, suppliers, contractors, lenders, government entities and authorities and other third parties, reach agreements with potential joint venture partners on commercial and technical terms satisfactory to the Group, find and exploit suitable development, expansion or acquisition opportunities and expand the Group's operating capacity in line with market demand on a timely and reasonable basis. It will also depend on the Group's ability to adjust and optimise its management and operating structure.

Growth through the winning of new concessions or bolt-on acquisitions also entails risks inherent in identifying suitable opportunities and assessing the value, strengths and weaknesses of the acquisition candidates, as well as integrating the acquired businesses into the Group's operations. In addition, prior to acquisition by the Group, target companies may have incurred contractual, financial, regulatory, environmental or other obligations and liabilities that may impact the Group in the future and that are not adequately reflected in the historical financial statements of such companies or otherwise known to the Group or discovered by it during the due diligence process or with respect to which the Group does not have adequate indemnities from the seller. Furthermore, the Group's ability to complete acquisitions will depend on, and may be limited by, the availability of suitable acquisition targets and restrictions contained in the Group's debt instruments and other existing and future financing arrangements. The Group's ability to complete acquisitions may also be limited by its ability to secure financing for such acquisitions as well as by regulatory constraints within the countries in which the Group operates due to anti-trust laws or political conflicts (see further "*Risks Related to the Regions in which the Group Operates – Anti-trust and competition laws in the countries in which the Group operates may limit its growth and subject it to anti-trust and other investigations*").

The Group's investment in development and expansion projects has increased over the last few years. In 2018, the Group invested U.S.\$908.2 million of capital expenditure. These and other future investments in capacity will be based on the Group's expectations of market demand. However, there can be no assurance that market demand or the Group's business will increase in the near future or that demand for its services will grow at rates sufficient to achieve a satisfactory return on any expenditure that it makes. The Group also cannot provide assurance that any future acquisitions will be successfully identified and completed or

that, if acquisitions are completed, the acquired companies will generate sufficient revenue to offset the associated costs or other harmful effects on the Group's business. A failure on the Group's part to manage its growth efficiently and effectively could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

***The Group faces significant competition in the container terminal industry for concessions and throughput and in Free Zone activity, which could adversely affect its ability to maintain or increase its profitability***

The global container terminal industry is highly competitive. The Group faces significant competition from other global container terminal operators, as well as smaller regional operators situated in the same locations as the Group, for both the concessions, which allow the Group to operate in a particular port, and, once the Group has established operations in a specific location, for the throughput. While the Group competes with other terminal operators for both transshipment and O&D throughput on the basis of location, productivity, accessibility, connectivity, price and value-added services, competition for transshipment throughput tends to be more price-sensitive and less captive than O&D throughput as transshipment cargoes can be more easily routed through alternative ports and terminals. For the year ended 31 December 2018, approximately 30 per cent. of the Group's gross throughput was transshipment (which was in line with the year ended 31 December 2017 and the year ended 31 December 2016).

The Group competes with other terminal operators for concessions primarily on the basis of the concession rates that will be paid to the owner of the relevant port. When choosing a concessionaire, however, governments or other port owners may also consider other factors, including, among other things, the extent of the regional dominance exhibited by a proposed concessionaire. Consequently, the Group may face a competitive disadvantage when competing for new concessions in regions or countries in which the Group is the market leading terminal operator.

Following significant consolidation in the decade up until 2007, both internally and within the container shipping industry, consolidation within the container terminal industry has stabilised in recent years. According to Drewry, the five largest terminal operators by throughput and capacity, China Cosco Group, Hutchison Port Holdings, PSA International, APM Terminals and DP World, collectively accounted for 417.1 million TEU, or 53.1 per cent., of global gross throughput for the year ended 31 December 2018 (*source: Drewry's Global Container Terminal Operators Annual Review and Forecast 2019*). Consolidation within the container terminal industry has resulted in the Group's having to compete with other terminal operators, some of which are larger than the Group and have greater financial resources than the Group and, therefore, may be able to bid at higher concession rates, invest more heavily or effectively in their facilities or withstand price competition and price volatility more successfully than the Group. In addition, some of the Group's competitors may have broader operational experience and longer standing relationships with international shipping companies.

There can be no assurance that consolidation within the container terminal industry will not become more prevalent (see further "*Ports Operation Industry Overview – Industry Trends*") or that the Group's competitors will not undertake additional mergers and acquisitions to increase their capacity, economies of scale and financial and market strength.

If the Group is unable to compete effectively against its container terminal competitors, the Group may be forced to increase its concession rate bids or lower its fees, which could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

***Competition with other free zone operators and within the MENA region***

The Group's parks, logistics and economic zones ("**PLEZ**") business competes with other free zone operators and other economic areas which may offer different benefits to the economic zones the Group is in. JAFZ, which generated most of the Group's revenue in its PLEZ division, competes with several other free zones in Dubai and the other Emirates. These include the industrial free zone at Taweelah in Abu Dhabi, known as Khalifa Industrial Zone Abu Dhabi ("**KIZAD**"), which is being financially supported by the Abu Dhabi government and is actively bringing in major industrial companies as tenants. According to the KIZAD website, KIZAD's master plan provides for a total capacity of 410 square kilometres. JAFZ, on the other hand, has a total capacity of 57 square kilometres. KIZAD is situated adjacent to, and integrated with, the Khalifa Port, which currently has a capacity of 2.5 million TEU and is expected to increase its capacity for container volume to 15 million TEU when all development phases are completed (*source: AD*



Ports website), compared to the Jebel Ali port which currently has a capacity of 19.3 million TEU. In addition, there are currently certain other GCC nations which are developing or expanding integrated port and free zone projects. The Company estimates that ongoing developments in the State of Qatar and the Sultanate of Oman will collectively add within the region approximately 15 million TEU of port capacity supported by approximately 50 square kilometres of adjacent free zone capacity by 2030. In addition, within Dubai, areas such as the Dubai Investment Park, Jumeirah Lake Towers and Dubai World Central offer alternative office and warehouse space.

In addition, while the Group has significant experience in operating a free zone through JAFZ, the roll out of the Group's other projects in its PLEZ division may face other forms or competition which may be new or unique to the economic region. Currently, the Group achieves premium lease rates in JAFZ. However, its ability to continue to do so is contingent on JAFZ retaining its leading position in the market by virtue of being a more attractive location and its ability to attract and retain new and existing customers. For the avoidance of doubt, the information contained on the websites referred to in this paragraph is not incorporated by reference into, or otherwise included in, this Base Prospectus.

Competition with other free zones and integrated port projects could result in JAFZ, or the Group's other PLEZ business, having to reduce its lease rates or service prices, which could materially and adversely affect the cash flows generated and if coupled with the possible decline in occupancy levels, could if sustained, materially and adversely affect the business, prospects, results of operation and financial condition of the Group.

***The Group is exposed to certain risks in respect of the expansion of terminals and port facilities and the development and construction of new terminals and port facilities***

As at the date of this Base Prospectus, the Group has nine new developments and major expansion projects underway. The Group's development and expansion projects are subject to receipt of various final regulatory approvals in certain jurisdictions. These projects typically require substantial capital expenditures throughout the development, construction and upgrading phases and may take months or years before they become operational and start generating revenue and cash flow for the Group, during which time the Group is subject to a number of construction, financing, operating and other risks beyond its control, including, but not limited to:

- shortages and increases in the cost of materials, equipment, labour or other necessary supplies;
- adverse weather conditions and natural disasters;
- an inability on the Group's part to make any necessary financing arrangements on terms favourable to it, if at all;
- risk of counterparty defaults which tend to increase during periods of recession;
- changes in demand for the Group's services;
- complexity introduced into the operations when launching new technologies or machinery becoming outdated;
- labour disputes and disputes with sub-contractors;
- inadequate infrastructure, including as a result of failure by third parties to fulfil their obligations relating to the provision of utilities and transportation and other links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specification;
- accidents, civil unrest, wars and other unforeseen events;
- changes in governmental priorities or the level of governmental support that the Group receives; and
- an inability to obtain on a timely basis, if at all, and maintain project development permission or requisite governmental licenses, permits or approvals.

The occurrence of one or more of these events may negatively affect the Group's ability to complete its current or future projects on schedule, if at all, or within the estimated budget and may prevent it from achieving the projected revenues, internal rates of return or capacity associated with such projects. There can be no assurance that the revenues that the Group is able to generate from its projects will be sufficient to cover the associated construction and development costs.

Furthermore, because most of the Group's development and expansion projects are governed by contracts that it enters into with the owner of a particular port, failure on the Group's part to fulfil its obligations relating to such projects, including meeting its deadlines in a timely manner, may constitute a breach under the relevant contract and subject the Group to penalties, including payment of liquidated damages, or, in the case of a serious breach, termination of a project and/or civil liabilities. Although the Group attempts to allocate risk of failure to sub-contractors and suppliers to the fullest extent possible, if the Group is unable to seek full indemnification from third parties with respect to any such breach, the Group's business, prospects, results of operation and financial condition may be materially and adversely affected.

***The Group's inability to maintain and renew concession agreements at its existing facilities and the Free Zone may adversely affect its financial condition and results of operations***

Substantially all terminal operations in the container terminal industry are conducted pursuant to long-term operating concessions or leases entered into by a terminal operator and the owner of a relevant port, typically a governmental entity. Concession agreements often contain clauses that allow the owner of a port to cancel the agreement, impose penalties on the Group if it does not meet specified investment obligations, which, especially in the case of investments designed to reduce the environmental impact of a particular operation, can be substantial, or require minimum payments based on previously estimated throughput, regardless of actual throughput handled. Concession agreements may also allow the owner of a port to reassess and increase the rent periodically.

Similarly, because many of the counterparties to concession agreements are governmental entities, terminal operators, including the Group, are subject to the risk that concession agreements may be cancelled because of political, social or economic instability (see further "*Risks Related to the Regions in which the Group Operates – The Group is subject to the risks of political, social and economic instability associated with countries and regions in which the Group operates or may seek to operate*"). The Group cannot provide any assurance that one or more of its existing concession agreements will not be prematurely cancelled or the rent payable by the Group will not be increased during the life of a concession or the Group will not be penalised, with or without cause, by the relevant counterparty or that the Group will be able to successfully challenge such cancellations, increases and/or penalties.

In advance of the expiration of a concession agreement, the owner of a port will typically agree to renew the concession with the existing concessionaire, but often only after significant renegotiation that usually involves, among other things, a commitment on the part of the concessionaire to make capital expenditures or an increase in fees with respect to the relevant operation.

There can be no assurance that the Group will be able to renew its concession agreements upon their expiration on commercially reasonable terms, if at all, that historical trends will be accurate in the future, or that the Group would be the winning bidder in any re-tender of one or more of its existing concessions should the relevant port owner elect not to renew the relevant concession agreement with the Group. If the Group is unable to renew one or more of its concession agreements on commercially reasonable terms on or before their expiration dates or if the concession agreement is cancelled, the capacity of the Group's terminal portfolio will be reduced by the amount of capacity provided by the terminals associated with such concession agreements and the Group's business, prospects, results of operation and financial condition as well as geographic reach may be materially and adversely affected.

In relation to the Group's free zone business, the concession granted by JAFZA to JAFZ pursuant to the JAFZ Concession Documents constitutes the primary source of revenues from the Free Zone. The JAFZ Concession Documents impose the following contractual restrictions on the termination rights of JAFZA:

- *JAFZ Concession Agreement:* JAFZA has the right to terminate the JAFZ Concession Agreement upon an event of default of JAFZ, being: (i) a breach by JAFZ of its obligations under the JAFZ Concession Agreement which has a material adverse effect; (ii) non-payment of the concession fee or part thereof when due; and (iii) JAFZ ceasing to carry on the Services or abandoning or substantially abandoning the operation of any part of the JAFZ Concession Area; and

- *JAFZ Usufruct Agreement:* JAFZA has the right to terminate the JAFZ Usufruct Agreement upon an event of default of JAFZ under the JAFZ Usufruct Agreement (which events are substantially similar to those in the JAFZ Concession Agreement). As a matter of law, the JAFZ Usufruct Rights are registered with the Dubai Land Department and, therefore, are similar in nature to registration of title.

Certain provisions in the JAFZ Concession Agreement and the JAFZ Usufruct Agreement were included to protect the rights of any potential providers of finance to JAFZ. In particular, the agreements state that no variation, amendment or waiver of any of their provisions may be agreed or declared if such variation, amendment or waiver would, in the view of JAFZ, materially adversely affect the rights of any provider of finance to JAFZ. Therefore, JAFZ is not entitled to terminate the JAFZ Concession Agreement and the JAFZ Usufruct Agreement as long as any amounts are outstanding under any finance arrangements.

If the JAFZ Concession Documents were to be terminated or cancelled for any reason, the Group would lose its main source of revenue in the Free Zone and the Group's business, prospects, results of operation and financial condition may be materially and adversely affected.

***A significant number of the Group's operations are run through joint ventures and other entities in which it holds a minority interest, and, in some cases, the Group does not have the right or power to direct the management and policies of such companies***

As a significant number of the Group's container terminal and other ports-related operations are conducted through jointly controlled entities, associated companies and partnerships, the Group is exposed to risks related to actions taken by its joint venture partners and controlling shareholders of entities in which the Group holds a minority interest. For the year ended 31 December 2018, the Group's share of profits from equity-accounted investees (net of tax) was U.S.\$155.5 million, which constituted 11.5 per cent. of the Group's profit for the year which was U.S.\$1,357.6 million. Similarly, the Group's investment in equity-accounted investees was U.S.\$2,101.4 million as at 31 December 2018, which constituted 7.9 per cent. of the Group's total assets as at that date which were U.S.\$26,513.3 million. To the extent that the Group does not have a controlling equity stake in, or the right or power to direct the management and policies of, a joint venture or other company through which the Group conducts its operations, joint venture partners or controlling shareholders may take action that is not in accordance with the Group's policies and objectives. Should a joint venture partner or controlling shareholder act contrary to the Group's interest, it could have a material adverse effect upon the Group's business, business, prospects, results of operation and financial condition.

Joint venture transactions present many of the same risks involved in acquisitions, but also involve additional risks, including the possibility that the Group's joint venture partners may have economic, business or legal interests or goals that are inconsistent with the Group's own, may become bankrupt, may refuse to make additional investments that the Group deems necessary or desirable or may prove otherwise unwilling or unable to fulfil their obligations under the relevant joint venture or associated agreements. There is also a risk that the Group's joint venture partners may ultimately become its competitors. In addition, joint ventures with government entities also expose the Group to risks relating to differences in focus or priorities between successive regimes.

The Group's ability to expand successfully through joint ventures will depend upon the availability of suitable and willing joint venture partners, the Group's ability to consummate such transactions and the availability of financing on commercially acceptable terms. The Group cannot give any assurance that it will be successful in completing joint ventures or that, once completed, a joint venture will be profitable for the Group. If a joint venture is unsuccessful, the Group may be unable to recoup its initial investment and the Group's business, prospects, results of operation and financial condition may be materially and adversely affected.

In addition, the Group's ability to dispose of inadequate or poorly performing businesses is sometimes subject to governmental approval, which may force the Group to bear the costs of any such business for a longer period of time, with an increasingly negative and prolonged impact on its business, prospects, results of operation and financial condition, than would otherwise be the case.

***The Group's businesses require substantial capital investment and the Group may not have sufficient capital to make, or may be restricted by covenants in its financing agreements from making, future capital expenditures and other investments as it deems necessary or desirable***

The Group operates in capital intensive industries that require a substantial amount of capital and other long-term expenditures, including those relating to the development and acquisition of new container terminal facilities and the expansion of existing container terminal facilities. The Group expects to utilise a combination of internally generated cash and external borrowings, including banking and capital markets transactions, to meet its financing requirements. If necessary, the Group may also seek to obtain additional funding from the equity markets. However, there can be no assurance that the Group's ultimate controlling shareholder, Dubai World, would approve, or be willing or able to participate, in any such financing.

The Group's ability to arrange external financing and the cost of such financing are dependent on numerous factors, including its future financial condition, general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. Historically, volatile market conditions have resulted in reduced liquidity, widening of credit spreads, lack of price transparency in credit and capital markets and increased volatility in interest rates and exchange rates. Any such decline in global credit markets and/or reduced liquidity may affect the Group's ability to secure financing on commercially reasonable terms, if at all. The Group cannot provide any assurance that it will be able to arrange any such external financing on commercially reasonable terms, if at all, and the Group may be required to secure any such financing with a lien over its assets or agree to contractual limitations on its business.

In addition, covenants contained in the Group's current or future financing agreements may restrict it from undertaking capital expenditure in amounts and at times that the Group deems necessary or desirable or when specified by construction timelines contained in concessions for new container terminal facilities (see further "*Risks Related to the Group – The Group's indebtedness could adversely affect its ability to raise additional capital to fund its operations and limit its ability to react to changes in the economy or the industries in which the Group operates*"). If the Group is unable to generate or obtain funds sufficient to make, or is otherwise restricted from making, necessary or desirable capital expenditure and other investments, it may be unable to grow its business, which may have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

***The Group may be subject to risks arising from international trade controls or disputes***

The Group operates ports and terminals which have throughput originating from or arriving at a destination in countries which have adopted trade defence instruments such as anti-dumping and anti-subsidies laws and regulations. Moreover, import and exports are affected by discretionary import duties that may be imposed by some governments. The Group considers that the use of trade defence measures and other forms of trade controls by some countries is likely to increase in the future. For example, the "trade war" between the U.S. and China through the course of 2018 and 2019 resulted in the imposition of tariffs by the U.S. on certain goods imported into the U.S. from China, and *vice versa*. Similarly, in June 2019, India imposed retaliatory trade tariffs on certain U.S. products after India lost its preferential treatment under the U.S. generalised system of preferences. The Group has limited operations in the U.S.; however counter-measures have been and could be adopted by other countries which are markets for the Group's throughput. Other countries could enact more barriers to trade. The worsening of trade relations around the world could result in negative repercussions in the relevant countries and have a knock-on effect on global trade and the economic environment. Additionally, in 2017, Saudi Arabia, the UAE, Bahrain and Egypt cut diplomatic ties and restricted business with Qatar by restricting access to that country with an air, sea and land traffic embargo. During the economic embargo, restrictions have been placed on products shipped directly to Qatar from Saudi Arabia, the UAE or Bahrain. In February 2019, the UAE partially lifted the sanctions imposed on Qatar and allowed cargoes originating in Qatar to enter UAE ports while still maintaining the ban against Qatar flagged vessels. Any trade defence measures, embargoes or duties imposed on exports or imports that form part of the Group's throughput could have a material and adverse effect on the Group's business, results of operations or financial condition.

***The Group's indebtedness could adversely affect its ability to raise additional capital to fund its operations and limit its ability to react to changes in the economy or the industries in which the Group operates***

As at 31 December 2018, the Group had U.S.\$10,419.8 million of outstanding interest-bearing loans and borrowings (current and non-current) and it may incur additional indebtedness in the future to finance the growth of its business.

The Group's indebtedness may expose it to a number of risks, including:

- increasing the Group's vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on the Group's indebtedness, thereby reducing the Group's ability to use its cash flow to fund its operations, capital expenditures and future business opportunities and to pay dividends;
- exposing the Group to the risk of increased interest rates with respect to its borrowings at variable rates of interest, unless the Group is able to fully hedge its interest rate exposure with respect to such borrowings;
- restricting the Group from making strategic acquisitions or causing it to make non-strategic divestitures;
- limiting the Group's ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes;
- limiting the Group's ability to adjust to changing market conditions and place it at a competitive disadvantage compared to its competitors that are less highly leveraged; and
- ratings currently assigned to the Company and/or the Certificates being placed on credit watch or downgraded (see further "*Risks Related to the Market Generally – Credit ratings assigned to the Company and/or the Certificates are subject to ongoing evaluation and there can be no assurance that the ratings currently assigned to the Company and/or the Certificates will not be placed on credit watch or downgraded*").

In addition, the Group's debt agreements contain various covenants that limit its ability to engage in specified types of transactions. These covenants limit the Group's ability to, among other things (and subject to certain thresholds):

- incur or guarantee additional financial indebtedness or issue certain redeemable shares;
- grant security or create any security interests; and
- consolidate, merge or sell or otherwise dispose of any of the Group's assets.

Furthermore, certain of the Group's debt agreements contain, and future agreements may contain, cross-default clauses whereby a default under one of the Group's debt agreements may constitute an event of default under other of the Group's debt agreements. For instance, the Company entered into unsecured syndicated conventional and murabaha term and revolving loan facilities (the "**Syndicated Facilities**") (see further "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Indebtedness*") which require the Group to maintain a specified ratio of total debt to total debt plus equity and contains other financial condition tests. The Group's ability to meet such ratios and tests can be affected by events beyond the Group's control and there can be no assurance that the Group will meet such ratios and tests.

Moreover, the Syndicated Facilities as well as the Company's guaranteed outstanding listed debt securities contain "change of control" provisions which require the Government, either directly or indirectly, to hold at least 50 per cent. of the Company's issued share capital. However, the Group has no ability to control the actions of the Government or PFZW with respect to their holding of the Company's share capital and can therefore make no assurance that either entity will not dispose of its holdings of the Company's share capital

in the future either voluntarily or involuntarily. A breach of any of these covenants or provisions would result in a default under the Syndicated Facilities and the Company's guaranteed outstanding listed debt securities, which may allow the holders to take action to accelerate the maturity of the securities. Accordingly, any such breach could materially and adversely affect the Group's business, prospects, results of operation and financial condition.

For further information regarding the Group's material indebtedness and the undertakings and covenants included therein, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Indebtedness*".

***Fluctuations in currency exchange rates could have an adverse effect on the Group's results of operations***

Since the Group presents its financial statements in U.S. dollars, it is exposed to risks related to the translation of assets and liabilities denominated in other currencies.

In response to the declining price of crude oil since June 2014, certain regional oil producing countries that have traditionally "pegged" their domestic currencies to the U.S. dollar have faced pressure to remove these foreign exchange "pegs". As at the date of this Base Prospectus, each of Kazakhstan, Nigeria and Azerbaijan have chosen to unwind the U.S. dollar peg of their domestic currencies. While it is unlikely that the UAE or the Kingdom of Saudi Arabia would pursue a similar course of action, there remains a risk that any such future de-pegging by the any of these states (in the event that the current challenging market conditions persist for a prolonged period) could result in a de-valuation of any such de-pegged currency against the U.S. dollar and could impact open cross-currency positions leading to currency fluctuations.

As at 31 December 2018, 63.9 per cent. of the Group's Net Operating Assets were denominated in currencies other than the functional currency of the Company (being the UAE dirham, which is pegged to the U.S. dollar). As a result, currency fluctuations can have a material impact on the Group's balance sheet.

In addition to these translation risks, the Group is exposed to transaction risks as a result of differences in the currency mix of its operating revenue and cost of sales. As a result, a depreciation or appreciation of a particular local currency against the U.S. dollar could have either a positive or negative impact on the Group's balance sheet and profit margin and therefore its profit for the year (see further "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Financial Condition and Results of Operations – Currency Risk*").

Although the Group currently hedges some of its exchange rate exposure by entering into swap and/or other currency exchange rate hedging transactions, there can be no assurance that such transactions will fully protect the Group from exchange rate risk or that the Group will continue to be able to enter into such arrangements on commercially reasonable terms, if at all. Accordingly, there can be no assurance that future exchange rate fluctuations between the U.S. dollar and the currencies of countries in which the Group operates will not have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

***Increases in interest rates may adversely affect the Group's financial condition***

Interest rates are highly sensitive to many factors beyond the Group's control, including the interest rate and other monetary policies of governments and central banks in the jurisdictions in which the Group operates. The variable rate debt portion of the Group's financial liabilities (loans and borrowings) is subject to interest rate risk resulting from fluctuations in the relevant reference rates underlying such debt. Consequently, any increase in such reference rates will result in an increase in the Group's interest rate expense and may have a material adverse effect on the Group's financial condition and results of operations. As at 31 December 2018, U.S.\$2,455.8 million of the Group's loans and borrowings (before taking into account the effect of interest rate swaps) carried interest at floating rates. A hypothetical 1 per cent. change in interest rates on this portion of the Group's financial instruments (before taking into account the effect of interest rate swaps) would result in a change in the Group's interest expense of U.S.\$9.8 million per year.

Furthermore, there can be no assurance that, upon the expiration of the Group's current interest rate hedging arrangements, it will be able to enter into similar hedging transactions in the future on commercially reasonable terms, if at all, or that these agreements, if entered into, will protect the Group fully against its interest rate risk in the future. Any future unhedged interest rate risk may result in an increase in the Group's

interest expense and may have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

***Revenues generated by the PLEZ business are dependent upon occupancy levels, rental rates and legislation***

The revenues generated within the PLEZ business primarily comprise leasing revenue, as well as revenue from registration and licensing activities and administration services. These revenues are driven by the supply of, and demand for, available space which is suitable to tenants in the relevant zone, as well as other factors, such as the perceived desirability of the area by tenants as a business location.

A decrease in demand for space in the PLEZ business, including for land, warehouses, offices and onsite residential accommodation, would adversely affect occupancy levels in the PLEZ business and associated revenues.

Additionally, leasing revenue received by JAFZ could also be affected by legislative restrictions on the permissible level of rental increases and possible future changes in law. Dubai legislation prescribes the maximum increase which is permitted upon renewal of most types of leases in Dubai and could restrict JAFZ's ability to increase lease rates and, accordingly, its leasing revenues generated within the Free Zone.

Furthermore, the boundaries of the Free Zone are set in the JAFZ Concession Documents, which means that the growth of JAFZ is limited to the development of undeveloped land or the re-development of developed properties in the Free Zone. As at 31 December 2018, approximately 11 per cent. of the land available in the Free Zone was undeveloped. Similar businesses with the PLEZ business are restricted by the limits of the designated park or economic zone. Demand for space in the Free Zone, or the Group's other PLEZ locations, in the future may be adversely affected by, among other things, competitive factors; a downturn in the global, regional or local economy; circumstances which cause the UAE or Dubai, or other relevant locations, to be perceived as a less desirable place to do business; a change in law reducing the economic advantages to tenants of doing business in the relevant park or economic zone; a decline in the level of services provided to tenants in the relevant park or economic zone; or a change in the environmental condition of the relevant park or economic zone. A decline in the overall level of leasing revenue generated from the Free Zone, or other relevant park or economic zone, and/or revenue from licensing activities and/or administration services could have a material adverse effect on the business, prospects, results of operation and financial condition of the Group.

***The Group is exposed to credit risk with respect to its counterparties and the Group's business could be adversely affected if its counterparties default on their obligations to the Group***

A failure by any of the Group's debtors to pay their obligations to the Group, or inability to pay by any of the Group's counterparties, may have a significant impact on the Group's reserves and profitability. As at 31 December 2018, the Group's ten largest customers accounted for 39 per cent. of the Group's trade receivables. While the Group seeks to limit its credit risk by setting credit limits for individual counterparties, taking financial guarantees from counterparties and monitoring outstanding receivables, the Group's counterparties may in the future default on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure or other reasons. The Group's credit risk is increased by the fact that its largest counterparties operate in the same industry and therefore may be similarly affected by changes in economic and other conditions. In addition, the Group is often unable to obtain reliable information regarding the financial condition of a number of its customers because they are privately-held companies and have no obligation to make such information publicly available. While the Group takes steps to closely monitor this risk and to ensure tight control in respect of the credit risk of its counterparties, any delayed payment, non-payment or non-performance on the part of one or more of the Group's major customers, or a number of the Group's smaller counterparties, could have a material adverse effect on the Group's business, prospects, results of operation and financial condition (including cash flow).

***The discontinuation of any of the preferential tax treatments currently available to the Group may increase the Group's tax liabilities and decrease the Group's profitability***

Certain of the Group's container terminal operations (for instance, certain terminals located in India, Egypt, Vietnam, Korea, Ecuador, Somaliland, Rwanda and Turkey) benefit from tax "holiday" or similar awards, which exempt the Group from paying tax on its profits or allow it to pay a reduced rate of tax on its profits (in most cases for a specified period of time and in some for a specific taxable amount). Such awards do

not extend to the dividend distribution of such profits. As a result of these tax awards, the Group's overall tax charge is less than it would otherwise be in the absence of such awards. Some of the existing tax awards expire at various times between 2023 and 2031 and, upon their expiration, the Group will be required to pay tax on the Group's profits at the normal rate for the relevant country. There can be no assurance that the tax awards that the Group currently enjoys will remain unchanged or that the Group will be able to renew them and any change in respect of one or more such awards may materially and adversely affect the Group's tax liabilities and profitability.

***The Group's port operations could be adversely affected by natural disasters or other catastrophic events beyond the Group's control***

The Group's business operations and development and construction projects could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, tsunamis, hurricanes, fires or typhoons) or other catastrophic or otherwise disruptive events, including, but not limited to:

- changes to predominant natural weather, hydrologic and climatic patterns, including sea levels;
- the amount of silting that occurs in the areas around and leading to the Group's facilities;
- invasion, piracy, sabotage, rebellion, revolution, insurrection, military or usurped power, war and radioactive or other material environmental contamination;
- riots or other forms of civil disturbance;
- occurrence of any contagious disease (such as Avian Flu, Ebola Virus Disease, SARS or Zika Virus Disease), which may adversely affect global or regional trade volumes or customer demand with respect to cargo transported to or from affected areas;
- major accidents, including chemical, and radioactive or other material environmental contamination;
- denial of the use of any railway, port, airport, shipping service or other means of public transport; and
- strike or lock-out or other industrial action by workers or employers.

The occurrence of any of these events at one or more of the Group's facilities or development and construction projects or in the regions in which the Group operates may cause delays in the arrival and departure of vessels or disruptions to the Group's operations in part or in whole, may increase the costs associated with dredging activities, may subject the Group to liability or impact its brand and reputation and may otherwise hinder the normal operation of its container terminals or the Free Zone, which could materially and adversely affect the Group's business, prospects, results of operation and financial condition. The effect of any of these events may be worsened to the extent that any such event involves risks for which the Group is uninsured or not fully insured (see further "*Risks Related to the Group – The Group may not maintain sufficient insurance coverage for the risks associated with the operation of its business*").

***The Group may not maintain sufficient insurance coverage for the risks associated with the operation of its business***

The Group's operations may be affected by a number of risks, including terrorist acts and war-related events, for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions or potential damage to the Group's facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes and acts of God, as well as risks relating to the Group's provision of services to customers, including, with respect to the Group's container terminal and Free Zone operations, damage to customers' property, delays, misrouting of cargo and documentation errors, may result in losses or expose the Group to liabilities in excess of its insurance coverage or significantly impair the Group's reputation. There can be no assurance that the Group's insurance coverage will be sufficient to cover the loss arising from any or all such events or that it will be able to renew existing insurance cover on commercially reasonable terms, if at all.



Should an incident occur in relation to which the Group has no insurance cover or inadequate insurance cover, the Group could lose the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed and, in certain cases, it may remain liable for financial obligations related to the impacted property. Similarly, in the event that any assessments are made against the Group in excess of any related insurance cover that it may maintain, its assets could be subject to attachment, confiscation or restraint under various judicial procedures. Any of these occurrences could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

***Additional security requirements may increase the Group's operating costs and restrict its ability to conduct its ports business***

In recent years, various international bodies and governmental agencies and authorities in the countries in which the Group operates have implemented numerous security measures that affect the Group's container terminal operations and the costs associated with such operations. The International Ship and Port Facility Security Code ("**ISPS Code**"), which was implemented in 2004, and, to the extent that the Group's terminals handle cargo destined for the United States, the global security initiatives emanating from the U.S. Safe Ports Act of 2006, specifically the Container Security Initiative ("**CSI**") and the Secure Freight Initiative ("**SFI**"), are examples of such security measures. The ISPS Code is a comprehensive set of measures designed to enhance the security of ships and port facilities and requires the Group and the Group's staff to, among other things, gather and assess information related to shippers and cargos; maintain communication protocols; restrict access to the Group's facilities as appropriate; provide the means to raise alarms, establish vessel and port security plans; and ensure training and drills are conducted. The CSI and SFI programs are designed to improve U.S. port security by requiring the advance transmission of manifest documentation and technical images of pre-screened containers before they reach U.S. ports. Failure on the Group's part to comply with the security requirements applicable to the Group or obtain relevant security-related certifications may, among other things, prevent certain shipping line customers from using the Group's facilities and result in higher insurance premiums, which could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

In addition, new security measures or updated regulatory compliance requirements, which may be influenced by political or other considerations not aligned with the Group's interests, may be introduced at any time, including in connection with the EU Customs Security Program – Authorised Economic Operator initiative, the U.S. Customs – Trade Partnership Against Terrorism initiative and other government-to-industry initiatives, and ensuring the Group's compliance with such measures or requirements may involve considerable time and resources on the Group's part. The costs associated with existing and any additional or updated security measures will negatively affect the Group's operating income to the extent that it is unable to recover the full amount of such costs from its customers, who generally also have faced increased security-related costs, or, in certain cases, the owners of the ports in which the Group operates. Similarly, additional security measures that require the Group to increase the scope of its screening procedures may effectively reduce the capacity of, and increase congestion at, the Group's terminals, which may negatively affect the Group's business, prospects, results of operation and financial condition.

***The Group relies on security procedures carried out at other port facilities and by its shipping line customers, which are outside of the Group's control***

The Group inspects cargo that enters its terminals in accordance with the inspection procedures prescribed by, and under the authority of, the governmental body charged with oversight of the relevant port. The Group also relies on the security procedures carried out by its shipping line customers and the port facilities that such cargo has previously passed through to supplement the Group's own inspection to varying degrees. The Group attempts to mitigate security-related risks as much as possible (for instance, through cargo inspection and reliance on shipping line security procedures) and believes that it maintains standards for security at its terminals, including with respect to compliance with the ISPS Code and internationally-recognised efficient security management systems that meet or exceed those generally adopted by the container terminal industry. However, the Group cannot guarantee that none of the cargo that passes through its terminals will be impacted by breaches in security or acts of terrorism either directly against the Group or indirectly in other areas of the supply chain that will impact on the Group. A security breach or act of terrorism that occurs at one or more of the Group's facilities, or at a shipping line or other port facility that has handled cargo before the Group, could subject the Group to significant liability, including the risk of litigation and loss of goodwill. In addition, a major security breach or act of terrorism that occurs at one of the Group's facilities or one of its competitors' facilities may result in a temporary shutdown of the container terminal industry and/or the introduction of additional or more stringent security measures and

other regulations affecting the container terminal industry, including the Group (see further "*Risks Related to the Group – Additional security requirements may increase the Group's operating costs and restrict its ability to conduct its ports business*"). The costs associated with any such outcome could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

***The Group is subject to a wide variety of regulations and may face substantial liability if it fails to comply with existing or future regulations applicable to its businesses***

In each of the jurisdictions in which the Group operates and will operate, it has to comply with laws, regulations and administrative policies which relate to not only environmental regulations and safety standards but also employment (including pensions), anti-corruption, banking and tax. In particular, JAFZ must comply with safety standards stipulated by JAFZA as the competent authority with respect to the Free Zone.

The Group's terminal and Free Zone operations are subject to extensive international, national and local laws and regulations governing, among other things (as applicable), the fees that the Group is permitted to charge at certain ports; the loading, unloading and storage of hazardous materials; environmental protection; and health and safety. The Group's ability to operate its businesses is contingent on the Group's ability to comply with these laws and regulations and to obtain, maintain and renew as necessary related approvals, permits and licenses from governmental agencies and authorities in the countries in which the Group operates. As the laws and regulations governing the Group's operations, and the legal interpretations of these laws and regulations, are not uniform across the countries in which the Group operates, the Group is exposed to the costs and administrative difficulties involved in keeping itself informed of new and evolving legislation and regulations that span many jurisdictions. Due to the complexities involved in ensuring compliance with different and sometimes inconsistent national and international regulatory regimes, there can be no assurance that the Group will remain in compliance with all of the regulatory and licensing requirements imposed on it by each relevant jurisdiction.

The Group's failure to comply with all applicable regulations and obtain and maintain requisite certifications, approvals, permits and licenses, whether intentional or unintentional, could lead to substantial penalties, including criminal or administrative penalties or other punitive measures, result in revocation of the Group's licenses and/or increased regulatory scrutiny (including, in the case of JAFZ, restrictions on providing leasing activities or other services), impair the Group's reputation, subject it to liability for damages, trigger a default under one or more of its financing agreements or invalidate or increase the cost of the insurance that it maintains for its ports business. Additionally, the Group's failure to comply with regulations that affect its staff, such as health and safety regulations, could affect its ability to attract and retain staff (see further "*Risks Related to the Group – If the Group fails to retain and attract qualified and experienced employees, its business may be harmed*"). The Group could also incur civil liabilities such as abatement and compensation for loss in amounts in excess of, or that are not covered by, the Group's insurance (see further "*Risks Related to the Group – The Group may not maintain sufficient insurance coverage for the risks associated with the operation of its business*"). For the most serious violations the Group could also be forced to suspend operations until it obtains such approvals, certifications, permits or licenses or otherwise bring its operations into compliance.

In addition, changes to existing regulations or tariffs or the introduction of new regulations or licensing requirements (which may be retrospective) are beyond the Group's control and may be influenced by political or commercial considerations not aligned with the Group's interests. Any such regulations, tariffs or licensing requirements could materially and adversely affect the Group's business by reducing its revenue, increasing its operating costs or both and the Group may be unable to mitigate the impact of such changes. Further or future tariff reductions at one or more of the Group's terminals could have a negative effect on the Group's results of operations.

Finally, any expansion of the scope of the regulations governing the Group's environmental obligations, in particular, would likely involve substantial additional costs, including costs relating to maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of the Group's ability to address environmental incidents or external threats. If the Group is unable to control the costs involved in complying with these and other laws and regulations, or recover the full amount of such costs from its customers, the Group's business, prospects, results of operation and financial condition could be materially and adversely affected.

***If the Group fails to retain and attract qualified and experienced employees, its business may be harmed***

If the Group is unable to retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or fails to recruit skilled professional and technical staff in pace with its growth, its business and financial results may suffer. There is intense competition in the UAE for skilled personnel, especially at the senior management level, due to a disproportionately low number of available qualified and/or experienced individuals compared to current demand. Consequently, when talented employees leave, the Group may have difficulty, and incur additional costs, replacing them. The loss of any member of the Group's management team or any of the Group's terminal managers may result in: (i) a loss of organisational focus; (ii) poor execution of operations; and (iii) an inability to identify and execute potential strategic initiatives such as expansion of capacity. These adverse results could, among other things, reduce potential revenue, prevent the Group from diversifying its service lines and expose it to downturns in the markets in which the Group operates, all of which could materially and adversely affect the Group's business, prospects, results of operation and financial condition.

***Industrial action or adverse labour relations could disrupt the Group's business operations and have an adverse effect on the Group's operating results***

The Group's operations depend on employees who may be party to national or local collective bargaining arrangements or benefit from local applicable law, regulation or custom regarding employee rights and benefits. If the Group is unable to negotiate acceptable labour agreements or maintain satisfactory employee relations, the results could include work stoppages, strikes or other industrial action or labour difficulties (including higher labour costs) at one or more of the Group's facilities, any of which could have a material adverse effect on the Group's business, business, prospects, results of operation and financial condition.

***Failure in the Group's information and technology systems could result in delays to its business operations***

The Group's information and technology systems are designed to enable it to use its infrastructure resources as efficiently as possible and monitor and control all aspects of its operations. Although each of the Group's terminals, based on the nature of its business, is configured to keep its systems operational under abnormal conditions, including with respect to business processes and procedures, any failure or breakdown in these systems could interrupt its normal business operations and result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown. Any prolonged failure or breakdown could dramatically impact the Group's ability to offer services to its customers, which could have a material adverse effect on the Group's business, prospects, results of operation and financial condition. Similarly, any significant delays or interruptions in the Group's loading or unloading of a customer's cargo could negatively impact its reputation as an efficient and reliable terminal operator.

Further, in common with other terminal operators based in the GCC and elsewhere in the world, the threat to the security of the Group's information and container-related data from cyber-attacks is real and continues to grow at pace. Activists, rogue states and cyber criminals are among those targeting computer systems around the world. Risks to technology and cyber-security change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security. Failure to adequately manage cyber-security risk and continually review and update current processes in response to new threats could adversely affect the Group's reputation, business, prospects, results of operation and financial condition.

The Group is also reliant on third party vendors to supply and maintain much of its information technology. In the event that one or more of the other third-party vendors that the Group engages to provide support and upgrades with respect to components of the Group's information technology ceased operations or became otherwise unable or unwilling to meet the Group's needs, there can be no assurance that the Group would be able to replace any such vendor promptly or on commercially reasonable terms, if at all. Delay or failure in finding a suitable replacement could materially and adversely affect the Group's business, prospects, results of operation and financial condition.

***The Group may fail to implement and manage its business strategy***

Historically, the Group was a global ports and terminal operator. Over the last several years through acquisitions, the Group has begun complementing its ports and terminals business with its PLEZ and maritime services business. This is part of the Group's strategy to become not just a port and terminal

operator but a leading enabler of global trade and an integral part of the supply chain. However, the PLEZ and maritime services businesses have different cash flow and profitability dynamics to the Group's existing ports and terminals business. For example, logistics businesses typically deliver lower EBITDA margins. As a result as the Group expands these businesses in proportion to its ports and terminals business, the Group's EBITDA margin may decline. Additionally, the Group does not have the same historical experience in these areas. Should the Group not successfully execute its new strategy it could have a material adverse effect on the Group's business, results of operation and financial condition.

#### ***The Group operates a number of defined benefit pension schemes***

The Group operates a number of defined benefit pension schemes. The valuation of the pension deficit requires significant levels of judgement and technical expertise in choosing the appropriate assumptions. Changes in a number of the key assumptions including salary increases, inflation, discount rates and mortality assumptions can have a material impact on the calculation of the pension position. As a result of the size of the pension scheme deficit and the judgements inherent in the actuarial assumptions used in the valuation of the pension benefit obligations, we considered this to be an area of focus. The Group expects to make a pension contribution of approximately U.S.\$23.9 million in 2019 to these schemes. Any change in the assumptions or the Group's obligations could materially and adversely affect the Group's business, prospects, results of operation and financial condition.

#### **Risks Related to the Regions in which the Group Operates**

##### ***The Group is subject to political and economic conditions in Dubai, as well as the UAE as a whole***

For the year ended 31 December 2018, 68.2 per cent. of the Group's revenue related to its operations located in the Middle East, Europe and Africa financial reporting segments, a significant portion of which related to operations in the UAE. Consequently, the Group's results of operations are and will continue to be affected by the financial, political and general economic conditions prevailing from time to time in or affecting Dubai, the UAE and the Middle East as well as the broader Indian Subcontinent and Africa regions.

Although it has one of the most diversified economies in the GCC, the UAE's wealth remains largely based on oil and gas. According to the OPEC website, the price of the OPEC Reference Basket has fluctuated significantly in recent years. The monthly average OPEC Reference Basket price per barrel fell sharply by approximately 75 per cent. from U.S.\$107.89 in July 2014 to U.S.\$26.50 in January 2016. Since then, global oil prices have gradually risen, with the OPEC yearly basket price increasing from U.S.\$40.76 in 2016 to U.S.\$69.78 in 2018. However, crude oil prices have remained volatile with the OPEC monthly basket price fluctuating from U.S.\$58.74 in January 2019 to U.S.\$70.78 in April 2019 to U.S.\$59.56 in August 2019 (as at 28 August 2019), partly as a result of global trade tensions (see further "*Risks Related to the Group – The Group's results of operations can be adversely impacted by declines in global trading volumes*"). Oil prices are expected to continue to fluctuate in the future in response to changes in many factors over which the Group has no control.

The lower international prices for hydrocarbon products have had a significant adverse effect on the oil-revenue dependent GCC economies, resulting in reduced fiscal budgets and public spending plans, together with increased budgetary deficits across the GCC. Despite the UAE being viewed as being less vulnerable than some of its GCC neighbours due to the growth in its non-oil sector and the sizeable wealth of the Government of Abu Dhabi, fluctuations in energy prices have an important bearing on economic growth. According to the IMF 2018 Article IV Consultation (published on 1 February 2019), the UAE's current account surplus nearly doubled in 2017 to 6.9 per cent. of GDP as a result of an increase in oil revenues (and imports remaining flat), and is expected to strengthen further to 7.1 per cent. of GDP in 2018 and to nearly 8.0 per cent. of GDP in 2019 owing to higher oil prices. However, in the medium term, the current account surplus is projected to settle at a lower level; this again is due to expected medium term softening of oil prices. Any such factor which results in a further reduction in governmental spending may have an adverse impact on the level of economic activity in the UAE which could, in turn, have a negative impact on regional trade volumes (see further "*Risks Related to the Group – The Group's results of operations can be adversely impacted by declines in global trading volumes*").

In addition, while the UAE is seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could impact the UAE. Instability in the Middle East may result from a number of factors, including government or military regime

change, civil unrest or terrorism. In particular, since early 2011 there has been political unrest in a range of MENA countries, including Egypt, Algeria, the Hashemite Kingdom of Jordan, Libya, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Republic of Yemen, the Republic of Iraq (Kurdistan), Syria, Palestine, the Republic of Turkey, Tunisia and the Sultanate of Oman. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict (including the multinational conflict with Islamic State (also known as Daesh, ISIS or ISIL)) and the overthrow of existing leadership and has given rise to increased political uncertainty across the region. Further, the UAE, along with other Arab states, is currently participating in the Saudi Arabian led intervention in Yemen which began in 2015 in response to requests for assistance from the Yemeni government against the Al Houthi militia. The UAE is also a member of another Saudi Arabian led coalition formed in December 2015 to combat Islamic extremism and, in particular, Islamic State. Additionally, in June 2017 a number of MENA countries including the UAE, the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the Arab Republic of Egypt severed diplomatic relations with the State of Qatar, citing Qatar's alleged support for terrorism and accusing Qatar of creating instability in the region. The termination of diplomatic relations included the withdrawal of ambassadors and imposing trade and travel bans. As at the date of this Base Prospectus, political tension between the Islamic Republic of Iran and the Kingdom of Saudi Arabia is also on the rise, including as a result of tightening of Iranian sanctions by the U.S.

These situations have caused significant disruption to the economies of affected countries and have had a destabilising effect on international oil and gas prices. Though the effects of the uncertainty have been varied, it is not possible to predict the occurrence of events or circumstances, such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the Group would be able to sustain its current profit levels if adverse political events or circumstances were to occur.

Continued instability affecting the countries in the MENA region could adversely impact the UAE although to date there has been no significant impact on the UAE and, in particular, the port at Jebel Ali continues to be regarded as a safe haven for trade and shipping in the Middle East.

In particular, any blockage of, or other event affecting, the Strait of Hormuz or other political or military disruptions in the Arabian Gulf could prevent the Group's shipping line customers from reaching the ports at which the Group operates in the UAE, including through prohibitive increases in their insurance premiums. Any such occurrences could have a material adverse effect on the business, prospects, results of operation and financial condition of the Group.

The economies of Dubai and the UAE, like those of many emerging markets, have been characterised by significant government involvement through direct ownership of enterprises. Whilst Dubai and the UAE have enjoyed significant economic growth and relative political stability following the global financial crisis, there can be no assurance that such growth or stability will continue. Moreover, while the Government's policies have generally resulted in improved economic performance, there can be no assurance that such level of performance can be sustained. A general downturn or instability in certain sectors of the UAE or the regional economy could have a material adverse effect on the business, prospects, results of operation and financial condition of the Group.

Certificateholders should also note that the Group's business and financial performance could be materially and adversely affected by political, economic or related developments both within and outside the Middle East region because of inter-relationships within the global financial markets. The Group could be materially and adversely affected in the future by any deterioration of general economic conditions in the markets in which its customers operate, as well as by international trading market conditions and/or related factors.

***The Group is subject to the risks of political, social and economic instability associated with countries and regions in which it operates or may seek to operate***

The Group conducts its business in a number of countries and regions with developing economies, many of which do not have firmly established legal and regulatory systems and some of which from time to time have experienced economic or political instability. Some of these countries are also in the process of transitioning to a market economy and, as a result, are experiencing changes in their economies and their government policies that can affect the Group's investments in these countries. Governments in these jurisdictions and countries, as well as in more developed jurisdictions and countries, may be influenced by political or commercial considerations outside of the Group's control, and may act arbitrarily, selectively or unlawfully, including in a manner that benefits the Group's competitors.

Specific country risks that may have a material adverse effect on the Group's financial condition and results of operations include:

- political instability, riots or other forms of civil disturbance or violence;
- war, terrorism, invasion, rebellion or revolution;
- government interventions, including expropriation or nationalisation of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing fiscal, regulatory and tax regimes such as the introduction of value added tax in the GCC;
- arbitrary or inconsistent government action, including capricious application of tax laws and selective tax audits;
- difficulties and delays in obtaining requisite governmental licenses, permits or approvals;
- cancellation, nullification or unenforceability of contractual rights; and
- under-developed industrial and economic infrastructure, including railway and road systems that are unable to deal with the high volumes handled at a particular terminal.

For example, on 8 July 2014, the Group was notified that the Government of Djibouti ("**Djibouti**") had initiated arbitration proceedings before the London Court of International Arbitration ("**LCIA**") against the Group, alleging fraud and illegal payments and seeking rescission of all contracts between the Group and the Djibouti. On 20 February 2017, the LCIA dismissed all such claims in their entirety and ordered that Djibouti pay all of the Group's legal costs. Subsequently, on 8 November 2017, Djibouti adopted a new, retrospective law stating that Djibouti may renegotiate all agreements in the infrastructure sector which are contrary to the highest interests of the nation and, should any such renegotiations fail, Djibouti may unilaterally terminate such agreements. On 22 February 2018, pursuant to a presidential decree, Djibouti seized physical control of Doraleh Container Terminal S.A. ("**DCT**") from the Group. As a result, the Group subsequently deconsolidated the Group's business in Djibouti (the "**Djibouti deconsolidation**") (although the Group only had a 33.34 per cent. effective ownership interest in DCT, it was treated as a subsidiary of the Group until 22 February 2018, since the Group was able to govern the financial and operating policies of DCT by virtue of an agreement with the other investor). As a result, the Group commenced arbitration proceedings before the LCIA to protect its rights or to secure damages and compensation for breach or expropriation. On 20 July 2018, a hearing took place before the LCIA at which the Group requested that the LCIA declare the actions of Djibouti unlawful and confirm the validity of the concession agreement. On 31 July 2018, the LCIA confirmed in an arbitral award that the 2006 concession agreement remained valid and binding notwithstanding the laws and decrees Djibouti had adopted. In a further arbitral award on 29 March 2019, the LCIA confirmed that Djibouti must pay to DCT an amount of: (a) U.S.\$88.0 million (plus compound interest at 3 per cent. per annum) for non-payment of royalties for traffic not transferred to DCT once it became operational; and (b) U.S.\$385.7 million (plus simple interest at 3 per cent. per annum) for breach of exclusivity by developing a contained facilities at Doraleh Multipurpose Terminal, with further damages possible if Doraleh International Container Terminals is built by Djibouti.

In addition, on 23 June 2016, the U.K. voted to leave the EU in a referendum (the "**Brexit Vote**") and on 29 March 2017 the U.K. gave formal notice (the "**Article 50 Notice**") under Article 50 of the Treaty on EU ("**Article 50**") of its intention to leave the EU. The timing of the U.K.'s exit from the EU remains subject to some uncertainty. The terms of the U.K.'s exit from the EU are also unclear and will be determined by the negotiations taking place following the Article 50 Notice. It is possible that the U.K. may leave the EU with no withdrawal agreement as early as 31 October 2019 which, in turn, could result in a high degree of political, legal, economic and other uncertainty. The Brexit Vote and delivery of the Article 50 Notice have resulted in political (including U.K. constitutional), legal, regulatory, economic and market uncertainty in the U.K. as well as the rest of the EU. Such uncertainty and consequential market disruption may cause investment decisions to be delayed, reduce job security and damage consumer confidence, having implications for the global trade levels and patterns. The effect of the U.K. ultimately leaving the EU and the impact of such event on the U.K.'s, European and global economies are impossible to predict and, accordingly, it is difficult to forecast with any certainty the effect of these events on the operations of the Group in Europe (including on its operations at DP World London Gateway (U.K.)).

To the extent that any of the Group's operations is located in a country or region that is designated a Hull, War, Strikes, Terrorism and Related Perils Listed Area by Lloyd's Joint War Committee, shipping lines must pay war risk premiums in respect of insurance that they obtain for vessels travelling in such areas. For instance, in May 2019, four civilian commercial cargo ships were subjected to sabotage operations in the UAE's economic waters (east of the Emirate of Fujairah). Following this, according to a statement available on the Lloyd's Joint War Committee's website, the committee met to review the situation and it updated the listed areas to include the UAE in order to reflect the perceived heightened risk across the region. Further, two vessels were seized in July 2019 and the Lloyd's Joint War Committee's website advises that a general threat exists to all tanker traffic transiting the Strait of Hormuz. As at the date of this Base Prospectus, six of the Group's container terminals are located in three countries that are currently designated Hull, War, Strikes, Terrorism and Related Perils Listed Areas, namely the Islamic Republic of Pakistan ("**Pakistan**"), the Kingdom of Saudi Arabia and the UAE. Any such current or future designation could negatively affect the decisions of the Group's shipping line customers to continue to call at these terminals.

Changes in investment policies or shifts in the prevailing political climate in any of the countries in which the Group operates could result in the introduction of increased government regulations with respect to, among other things:

- price controls;
- export, import and throughput controls;
- income and other taxes;
- environmental legislation;
- customs and immigration;
- foreign ownership restrictions;
- foreign exchange and currency controls;
- labour and welfare benefit policies; and
- land and water use.

As the political, economic and social environments in certain countries in which the Group has made, or may consider making, investments remain subject to continuing development, investments in such countries are characterised by a significant degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in such countries, or in countries that neighbour such countries, could have a material adverse effect on the investments that the Group has made or may make in the future, which in turn could have a material adverse effect on the Group's business, prospects, results of operation and financial condition. For additional risks related to political and economic conditions in Dubai, the UAE and the Middle East, see "*Risks Related to the Regions in which the Group Operates – The Group is subject to political and economic conditions in Dubai, as well as the UAE as a whole*".

***Government policies relating to the container terminal industry may be changed in countries in which the Group operates and will operate and any such changes in a country could have a material adverse effect on its financial condition and results of its operations in that country***

Government policies relating to the container terminal industry may be changed in countries in which the Group operates. Any such changes may require the Group to change aspects of the way that the Group conducts business in the relevant country, which could have a material effect on the Group's financial condition, results of operations and prospects to the extent that current policies differ significantly from the policies ultimately promulgated by the relevant country. Any changes in government policies relating to the container terminal industry in countries that the Group is not currently operating in could prevent or restrict the Group's ability to operate in those countries in the future.

***Anti-trust and competition laws in the countries in which the Group operates and will operate may limit its growth and subject it to anti-trust and other investigations***

The anti-trust and competition laws and related regulatory policies in many of the countries in which the Group operates generally favour increased competition in the container terminal industry and may prohibit the Group from making further acquisitions or continuing to engage in particular practices to the extent that the Group holds a leading market share in such countries. In addition, violations of such laws and policies could potentially expose the Group to civil lawsuits or criminal prosecution, including fines and imprisonment. The Group cannot predict the effect such investigations will have on the Group's business. If as a result of any such investigation, the relevant anti-trust or competition authority imposes fines or other penalties on the Group or prohibits the Group from engaging in certain types of business in one or more of the regions in which the Group operates, the Group's financial performance and future growth could be materially and adversely affected.

**Risks Related to the Certificates**

***The Certificates are limited recourse obligations***

The Certificates are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of each Series of Certificates is limited to the Trust Assets of that Series and the proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon the occurrence of a Dissolution Event, or early dissolution pursuant to the Conditions, the sole rights of each of the Trustee, the Delegate and, through the Delegate, the Certificateholders of the relevant Series of Certificates to realise proceeds from the Trust Assets will be by way of enforcement and will be against the Company to perform its obligations under the Transaction Documents to which it is a party. The obligations of the Company under the Transaction Documents are unsecured and rank *pari passu* with the Company's other unsecured indebtedness. Certificateholders will otherwise have no recourse to any assets of the Trustee (including its directors and service providers), the Company, the relevant Dealers, the Delegate, the Issuing and Paying Agent or any affiliate of any of the foregoing entities in respect of any shortfall in the expected amounts due under the relevant Trust Assets.

The Company is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Trustee and the Delegate will have direct recourse against the Company to recover payments due to the Trustee from the Company pursuant to the Transaction Documents. No Certificateholder shall be entitled to proceed directly against the Trustee or to provide instructions to the Trustee to proceed directly against the Company in each case under any Transaction Document unless the Delegate: (i) fails to do so within a reasonable time becoming so bound and such failure its continuing; or (ii) is unable by reason of an order of a court having competent jurisdiction to do so and such inability is continuing. Accordingly, there can be no assurance that the proceeds of the realisation of, or enforcement with respect to, the Trust Assets (which, as described above, will be by way of enforcing each of the Trustee's and the Company'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 Certificates of the relevant Series.

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 the Conditions, the obligations of the Trustee in respect of the 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 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 relevant Trust Assets.

***Since the Company is a holding company and substantially all of its operations are conducted through its subsidiaries, unconsolidated joint ventures and associates, its ability to make payments under the Transaction Documents, depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities***

The Company currently conducts substantially all of its operations through its subsidiaries, unconsolidated joint ventures and associates, and such entities generate substantially all of the operating income and cash flow of the Company. Since the Company has no direct operations or significant assets other than the capital stock of these entities, it relies on free cash flow of its subsidiaries, cash dividends from its joint ventures



and associates, investment income, financing proceeds and other permitted payments from its subsidiaries, joint ventures and associates to make payments on its debt (including its payment obligations under the relevant Transaction Documents), pay operating expenses and pay other obligations that may arise from time to time.

The ability of such subsidiaries, joint ventures and associates to make payments to the Company depends largely on the financial condition, ability to generate profits and ability to distribute such amounts, if any, of such entities. Since such subsidiaries, joint ventures and associates are separate and distinct legal entities, they will have no obligation to pay any dividends or to lend or advance funds to the Company and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or partners or the applicable laws and regulations of the various countries in which such entities operate. Similarly, because of the holding company structures of the Company, claims of the creditors of such subsidiaries, joint ventures and associates, including trade creditors, banks and other lenders, effectively have priority over any claims that the Company may have with respect to the assets of these entities (see further "*Risks Related to the Certificates – Any claims by the Trustee or the Delegate (on behalf of the Certificateholders) against the Company under the Transaction Documents will be structurally subordinated to claims of creditors of the subsidiaries of the Company*").

No assurance can be given that such subsidiaries, joint ventures or associates will generate sufficient profits and cash flows, or otherwise prove willing or able, to pay dividends or lend or advance sufficient funds to the Company to enable it to meet its obligations, pay interest and pay expenses. The inability of one or more of these entities to pay dividends or lend or advance funds to the Company could have a material adverse effect on the business, prospects, results of operation and financial condition of the Company or the Group.

***Any claims by the Trustee or the Delegate (on behalf of the Certificateholders) against the Company under the Transaction Documents will be structurally subordinated to claims of creditors of the subsidiaries of the Company***

In the event of a winding-up or insolvency of one of the subsidiaries of the Company, claims of secured and unsecured creditors of such subsidiary, including trade creditors, banks and other lenders, will have priority with respect to the assets and revenues of such subsidiary over any claims that the Company or the creditors of the Company may have with respect to such assets and revenues. Generally, all of the obligations of a subsidiary of the Company would have to be satisfied before any of the assets or revenues of such subsidiary would be available, upon liquidation or otherwise, to the Company or the creditors of the Company. Claims by the Trustee or the Delegate (on behalf of the Certificateholders) against the Company under the Transaction Documents will therefore be structurally subordinated to the indebtedness of the subsidiaries of the Company, the amount of which is not subject to contractual limitations under the terms of the Certificates (see further "*Risks Related to the Group – The Group's indebtedness could adversely affect its ability to raise additional capital to fund its operations and limit its ability to react to changes in the economy or the industries in which the Group operates*").

***The terms of the Certificates will contain provisions allowing for modification, waivers and substitution thereof and, as a result, the terms and conditions of the Certificates may change without the consent of Certificateholders***

The Master Declaration of Trust contains provisions for calling meetings of Certificateholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Certificateholders, including Certificateholders who did not attend and vote at the relevant meeting and Certificateholders who voted in a manner contrary to the majority.

The Master Declaration of Trust also provides that the Delegate may agree, without any consent or sanction of Certificateholders, to any modification of the Master Declaration of Trust, the Conditions or any other Transaction Document which is, in the opinion of the Delegate: (i) of a formal, minor or technical nature; (ii) to correct a manifest error; or (iii) not materially prejudicial to the interests of the Certificateholders. Further, the Master Declaration of Trust also provides that the Delegate may, without the consent or sanction of the Certificateholders: (a) agree to waive or to authorise any breach or proposed breach of any provision of the Master Declaration of Trust, the Conditions or any other Transaction Document; or (b) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, in each case, provided that, in the opinion of the Delegate, such waiver, authorisation or determination is not materially prejudicial to the interests of the outstanding Certificateholders.

***The transferability of the Certificates may be limited under applicable securities and tax laws, which may adversely affect the value of the Certificates***

The Certificates have not been registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction. The Certificates may not be offered, sold or otherwise transferred in the United States or to or for the account or benefit of a U.S. person other than to persons that are QIBs that are also QPs. In addition, each purchaser of a Certificate will be required to represent that it is not purchasing the Certificates (or any interest therein) with the assets of: (i) "employee benefit plans" within the meaning of Section 3(3) of ERISA that are subject to Title I of ERISA; (ii) "plans" within the meaning of Section 4975(e)(1) of the Code that are subject to Section 4975 of the Code; and (iii) governmental, certain church, non-U.S. and other plans that are subject to any Similar Law, as described further in "*Certain ERISA and Related Considerations*". Each purchaser of the Certificates will also be deemed, by its acceptance of such Certificates, to have made certain representations and agreements intended to restrict transfers of the Certificates as described under "*Subscription and Sale and Transfer and Selling Restrictions*". It is the obligation of each purchaser of the Certificates to ensure that its offers and sales of the Certificates comply with all applicable securities laws.

In addition, if at any time the Trustee or the Company determines that any owner of Certificates, or any account on behalf of which an owner of Certificates purchased its Certificates, is a person that is required to be a QIB that is also a QP and does not meet those requirements, or is subject to Title I of ERISA, Section 4975 of the Code or any applicable Similar Law, the Trustee or the Company may require that such owner's Certificates be sold or transferred to a person designated by or acceptable to the Trustee and the Company.

***The Trustee is a "covered fund" for the purposes of the Volcker Rule, which could negatively affect the liquidity and the value of the Certificates***

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing regulations (the "**Volcker Rule**"), relevant "banking entities" (as defined under the Volcker Rule) are generally prohibited from, among other things, acquiring or retaining any equity, partnership, or other "ownership interest" in, or in "sponsoring", any "hedge fund" or "private equity fund", together "covered funds" (each as defined under the Volcker Rule). An "ownership interest" in a covered fund is broadly defined. In addition, in certain circumstances, the Volcker Rule restricts banking entities from entering into certain credit related transactions with covered funds.

A "hedge fund" and a "private equity fund" are defined widely, and include any issuer which would be required to register as an investment company under the Investment Company Act but for section 3(c)(1) or 3(c)(7) of that Act. As the Trustee is exempt from registration under the Investment Company Act in reliance on the exemption provided by section 3(c)(7) thereof, the Trustee will be a "covered fund" and acquisition of the Certificates is likely to be considered an acquisition of an "ownership interest" in a "covered fund" (as those terms are used in the Volcker Rule). In the absence of an available exemption, it is expected that the provisions of the Volcker Rule will severely limit the ability of U.S. banking entities (including controlled affiliates of U.S. banking institutions outside the United States) to hold an ownership interest in the Trustee. The marketability and liquidity of the Certificates may be significantly impaired if there is no available exemption.

Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in ownership interests (for the purposes of the Volcker Rule) of the Trustee should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. Each investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Trustee, the Company, the Arrangers or the Dealers makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Certificates, now or at any time in the future.

***Certain Definitive Certificates, the denominations of which involve integral multiples, may be illiquid and difficult to trade***

In relation to any issue of Certificates which have denominations consisting of a minimum Specified Denomination (as specified in the applicable Final Terms (or Pricing Supplement, as applicable)) plus one or more higher integral multiples of another smaller amount, it is possible that such 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 principal amount of less than the minimum Specified Denomination in its account with the relevant clearing system, would need to purchase an additional amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If a Certificateholder holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, such Certificateholder may not receive a Definitive Certificate in respect of such holding (should Definitive Certificates be printed) and would need to purchase a principal amount of Certificates such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a Definitive Certificate.

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

The *Shari'a* Advisory Board of Citi Islamic Investment Bank E.C., the Fatwa and Sharia Supervisory Board of Dubai Islamic Bank PJSC, the First Abu Dhabi Bank Internal *Shariah* Supervision Committee and the Central *Shariah* Committee of HSBC Bank Middle East Limited have each issued a *fatwa* in respect of the Certificates and the related structure and mechanism described in the Transaction Documents and their compliance with *Shari'a* principles. However, a *fatwa* is only an expression of the view of the relevant *Shari'a* advisory board based on its experience in the subject and is not a binding opinion. There can be no assurance as to the *Shari'a* permissibility of the structure (including in respect of the contents of containers at the Company's port facilities) or the issue and the trading of the Certificates and neither the Trustee, the Company, the Delegate nor the Dealers makes any representation as to the same. Investors are reminded that, as with any *Shari'a* views, differences in opinion are possible. Investors are advised to obtain their own independent *Shari'a* advice as to whether the structure meets their individual standards of compliance and make their own determination as to the future tradeability of the Certificates on any secondary market. Questions as to the *Shari'a* permissibility of the structure or the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the English Law Documents and the Certificates would be, if in dispute, the subject of arbitration in London under the Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**"). The Company has also agreed under the English Law Documents to which it is a party to submit to the jurisdiction of the courts of England, at the option of the counterparty. In such circumstances, the arbitrator or judge, as the case may be, will first apply the relevant law of the relevant Transaction Document rather than *Shari'a* principles in determining the obligation of the parties.

***Investors in the Certificates must rely on DTC, Euroclear and Clearstream, Luxembourg procedures to exercise certain rights under the Certificates***

The Certificates issued under the Programme will be represented on issue by one or more Global Certificates that may be deposited with a nominee for DTC or may be deposited with a common depository for Euroclear and Clearstream, Luxembourg (each as described under "*Form of the Certificates*"). Except in the circumstances described in each Global Certificate, investors will not be entitled to receive 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 Certificate held through it. While the Certificates are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

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

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the 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.

***A change of law may materially and adversely affect the Certificates***

The English Law Documents and the Conditions are based on English law while the Dubai Law Documents are based on Dubai Law, in each case, in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of any Certificates nor whether any such change could adversely affect the ability of the Trustee to make payments under the Certificates or of the Company to comply with its obligations under the Transaction Documents.

***Investments in emerging markets are subject to greater risk than investments in more developed markets***

Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including, but not limited to, in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

**Risks Related to the Structure of a Particular Issue of Certificates**

***The Certificates may be subject to early dissolution***

In certain circumstances the Certificates may be subject to early dissolution. In the event that the Trustee or the Company would be obliged to increase the amounts payable in respect of any Series of Certificates due to certain changes affecting taxation in the Cayman Islands, the DIFC, the Emirate of Dubai, the UAE or any political subdivision or authority therein or thereof having the power to tax as provided or referred to in Condition 12 (*Taxation*), the Trustee may redeem all but not some only of the outstanding Certificates of such Series in accordance with Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*).

If so provided in the applicable Final Terms (or Pricing Supplement, as applicable), a Series may be redeemed early at the option of the Company. In the case of Certificates with an additional optional dissolution feature, the Company may choose to redeem such Certificates when its cost of borrowing is lower than the profit rate on the 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 Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. In addition, such an optional dissolution feature could limit the market value of Certificates prior to or during any period when the Company may elect to redeem Certificates as the market value of those Certificates generally would not rise substantially above the Dissolution Amount or Partial Dissolution Amount (as applicable) at which they can be redeemed.

***Make Whole Amounts may not be sufficient when they are payable***

In the case of Certificates with a make whole feature, the relevant Make Whole Amount due and payable on such Certificates may not be sufficient to cover the difference between the yield which the Certificateholders would expect to receive if they held such Certificates until the relevant Scheduled Dissolution Date and any alternative investment which the Certificateholders may make at the time of redemption with the proceeds of such redemption.

***Any Certificates subject to fixed periodic distribution provisions will be subject to interest rate risks***

An investment in Certificates subject to fixed periodic distribution provisions involves the risk that subsequent changes in market profit rates for similar securities may materially and adversely affect the value of such Certificates.

***Regulation, reform and/or discontinuation of EURIBOR, LIBOR or other "benchmarks" could adversely affect any Certificates linked to such benchmarks***

*Benchmark reform*

Euro interbank offered rate ("**EURIBOR**"), London interbank offered rate ("**LIBOR**") and other rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and reform. Some of these reforms are already effective whilst others are yet to apply. These reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Certificates linked to a "benchmark".

Key international reforms of "benchmarks" include the Benchmarks Regulation. The Benchmarks Regulation entered into force on 30 June 2016 and became applicable on 1 January 2018, subject to certain transitional provisions. The Benchmarks Regulation applies to "administrators" of, "contributors" to and "users" of "benchmarks" in the EU. Among other things, the Benchmarks Regulation: (i) requires EU benchmark administrators to be authorised or registered by a national regulator (unless an exemption applies); (ii) provides that in order to be used by supervised entities in the EU, a non-EU benchmark must be qualified for use in the EU under the third-country regime (through equivalence, recognition or endorsement) and comply with extensive requirements in relation to the administration of the non-EU benchmark; and (iii) bans the use by "supervised entities" of: (a) EU "benchmarks" whose administrators are not authorised or registered; and (b) non-EU "benchmarks" that are not qualified for use in the EU under the third-country regime.

The Benchmarks Regulation and/or any other international, national or other reforms and/or the general increased regulatory scrutiny of "benchmarks" could have a material impact on any Certificates linked to a "benchmark" index, including in any of the following circumstances:

- a rate or index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation/registration or is not able to rely on one of the regimes available to non-EU benchmarks; and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level.

In addition, any of the international, national or other reforms or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks".

Furthermore, LIBOR is the subject of ongoing regulatory reforms. On 27 July 2017, Andrew Bailey, the Chief Executive of the FCA, which regulates LIBOR, announced that the FCA intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after the end of 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after the end of 2021. Subsequent speeches by Andrew Bailey and other FCA officials have emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it has in the past and may have other consequences which cannot be predicted.

*Benchmark fallback provisions*

Investors should be aware that, if LIBOR (or any other benchmark) were discontinued or otherwise unavailable, the amounts payable in respect of Certificates subject to floating periodic distribution provisions which reference LIBOR (or such other benchmark) will be determined for the relevant period by the fallback provisions applicable to such Certificates. Depending on the manner in which such amounts are to be determined under the Conditions, this may: (1) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations which, depending on market circumstances, may not be

available at the relevant time; or (2) if Screen Rate Determination applies, result in the effective application of a fixed profit rate for the next succeeding Specified Period (and, potentially, subsequent Specified Periods) based on the Profit Rate which applied in the previous period when the benchmark was available. This is because where Screen Rate Determination is specified as the manner in which the Profit Rate in respect of such Certificates is to be determined, the Conditions provide that the Profit Rate shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where the relevant Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

In such circumstances, the Conditions provide for the Profit Rate to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of the relevant Reference Rate), the Profit Rate may ultimately revert to the Profit Rate applicable as at the last preceding Periodic Distribution Determination Date before the relevant Reference Rate was discontinued.

If a Benchmark Event (as defined in the Conditions), which includes the permanent discontinuation of a Reference Rate, occurs, there is a possibility that the Profit Rate could alternatively be set by an Independent Adviser (without a requirement for the consent or approval of Certificateholders) by reference to a Successor Rate or an Alternative Reference Rate, and (in either case) an Adjustment Spread may be applied to such Successor Rate or Alternative Reference Rate. The use of any such Successor Rate or Alternative Reference Rate and, in either case, an Adjustment Spread to determine the Profit Rate is likely to result in the relevant Certificates initially linked to or referencing the relevant Reference Rate performing differently (which may include payment of a lower Periodic Distribution Amount) than they would do if the relevant Reference Rate were to continue to apply in its current form. Further, the market (if any) for Certificates linked to any such Successor Rate or Alternative Reference Rate may be less liquid than the market for Certificates linked to the relevant Reference Rate.

In addition, the application of an Adjustment Spread may result in the Certificates performing differently (which may include payment of a lower Periodic Distribution Amount) than they would do if the relevant Reference Rate were to continue to apply in its current form. The consent of the Certificateholders shall not be required in connection with effecting a Successor Rate or an Alternative Reference Rate (as applicable) and/or (in either case) an Adjustment Spread or such other changes pursuant to Condition 9(e)(v) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), including for the execution of any documents, amendments or other steps by the Trustee, the Company, the Delegate or the Calculation Agent (if required).

The Trustee and the Company may be unable to appoint an Independent Adviser or the Independent Adviser appointed by the Trustee and the Company may fail to determine the Successor Rate or failing which the Alternative Reference Rate, in which case the Profit Rate applicable to such Specified Period shall be equal to the Profit Rate last determined in relation to the Certificates in respect of the immediately preceding Specified Period which may be the initial Profit Rate. Applying the initial Profit Rate, or the Profit Rate applicable as at the last preceding Periodic Distribution Determination Date before the occurrence of the Benchmark Event is likely to result in Certificates linked to or referencing the relevant Reference Rate performing differently (which may include payment of a lower Profit Rate) than they would do if the relevant Reference Rate were to continue to apply, or if a Successor Rate or Alternative Reference Rate could be determined. Any of the foregoing could have a material adverse effect on the value or liquidity of, and return on, any Certificates which reference LIBOR (or any other benchmark).

The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or other reforms may require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as periodic distributions payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form. Investors in Certificates which reference such other benchmarks should be mindful of the material adverse effect such elimination, fallbacks and/or reforms may have on the value or liquidity of, and return on, any Certificates which reference any such benchmark.

***The use of proceeds of the Certificates may not meet the expectations or requirements of ESG focused investors***

The Trustee and the Company may specify in the applicable Final Terms (or Pricing Supplement, as applicable) that the proceeds from the relevant Certificates will be used for environmental, social and

governance ("ESG") purposes. In respect of such Certificates, the Company will exercise its judgement and sole discretion in determining the businesses and projects that will be financed by such proceeds.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, an ESG or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as ESG-compliant or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors (including by any Dealer) that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from any Certificates will meet any or all investor expectations regarding such ESG or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Certificates. As a result, there can be no assurance that such businesses and projects will meet investor expectations or requirements.

In addition, there is no contractual obligation to investors to allocate the proceeds of the Certificates to finance eligible businesses and projects or to provide annual progress reports as described in "*Use of Proceeds*" in the applicable Final Terms (or Pricing Supplement, as applicable). The Company's failure to so allocate or report the failure of any of the businesses and projects funded with the proceeds from the Certificates to meet the Company's Sustainable Development Financing Framework (see further "*Description of DP World – Sustainable Development Financing Framework*") will not constitute a DP World Event or a Dissolution Event with respect to the relevant Certificates and may affect the value and/or the trading price of the Certificates and/or have adverse consequences for certain investors with portfolio mandates to invest in ESG assets.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Company) which may be made available in connection with the issue of such Certificates and, in particular, with any of the businesses and projects funded with the proceeds from the Certificates to fulfil any ESG 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 or certification is not, nor should be deemed to be, a recommendation by the Trustee, the Company, the Dealers, the Delegate, the Agents or any other person to buy, sell or hold the Certificates. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Certificates. As far as the Trustee and the Company are aware, as at the date of this Base Prospectus, the providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight.

If any Certificates are at any time listed or admitted to trading on any dedicated "green", "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 Trustee, the Company, the Dealers, the Delegate, 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 by-laws 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 such Certificates. 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 Company, the Dealers, the Delegate, the Agents or any other person that any such listing or admission to trading will be obtained in respect of the Certificates or, if obtained, that any such listing or admission to trading will be maintained during the life of the Certificates.

If the use of the proceeds of the Certificates is a factor in an investor's decision to invest in the Certificates, they should consider the disclosure in "*Use of Proceeds*" in the applicable Final Terms (or Pricing Supplement, as applicable) prepared for each relevant Tranche and consult with their legal or other advisers before making an investment in the Certificates.

## **Risks Related to Manafae Series Certificates**

### ***Lack of continued return following failure to make payment of the exercise price***

In relation to each Manafae Series, the Company will sell Throughput Services to the Trustee which when multiplied by the Minimum Sale Price for that Manafae Series will equal an amount equal to the aggregate of: (i) the face amount of the Certificates as at the relevant Issue Date; and (ii) the aggregate of all Periodic Distribution Amounts that would be payable in respect of that Manafae Series during the period from (and including) the relevant Issue Date to (and including) the Scheduled Dissolution Date (the "**Required Certificate Amount**"). In addition, and to allow the Trustee to claim profit amounts from the Company where, in relation to a Manafae Series, the Company fails to pay: (a) the Final Dissolution Amount; or (b) the Change of Control Exercise Price or Optional Dissolution (Put Option) Exercise Price, as applicable (or any part thereof) on its due date the Company will, on the relevant Issue Date, also sell Throughput Services to the Trustee which when multiplied by the Minimum Sale Price will equal an amount equal to 15 per cent. of the face value of the Required Certificate Amount (the "**Non-Payment Exercise Price**"). The Non-Payment Exercise Price enables profit to accrue after the Manafae Series Certificates become due and payable upon either the Scheduled Dissolution Date, the Change of Control Full Put Date or Optional Dissolution Put Date, as applicable, up to the date on which the aggregate of such further accrued profit is equal to the Non-Payment Exercise Price (being the "**Capacity End Date**"). In relation to each Manafae Series, the Trustee shall not be entitled to claim any amounts in respect of the Manafae Series Certificates in excess of the aggregate of the Required Certificate Amount and the Non-Payment Exercise Price and accordingly, no profit shall accrue to Manafae Series Certificateholders after the Capacity End Date.

## **Risks Related to Wakala Series Certificates**

### ***Ownership of the Wakala Assets***

The *Shari'a* analysis is as follows: an ownership interest in the Wakala Assets comprised within the relevant Wakala Portfolio will pass to the Trustee under the Wakala Series Purchase Agreement. The Trustee will declare a trust in respect of the Wakala Assets and the other Wakala Series Trust Assets in favour of the Wakala Series Certificateholders of the relevant Wakala Series pursuant to the Master Declaration of Trust, as supplemented by the relevant Supplemental Declaration of Trust. Accordingly, from a *Shari'a* perspective, Wakala Series Certificateholders will, through the ownership interest obtained by the Trustee pursuant to the terms of the Wakala Series Purchase Agreement, have an undivided ownership interest in the relevant Wakala Assets.

However, no investigation or enquiry will be made and no due diligence will be conducted in respect of any Wakala Assets. The Wakala Assets will be selected by the Company, and the Wakala Series Certificateholders, the Trustee, the Delegate and the Agents will have no ability to influence such selection. Only limited representations will be obtained from the Company in respect of the Wakala Assets. No steps will be taken to perfect the legal transfer of the ownership interest (including registration, if necessary) in the Wakala Assets with any relevant regulatory authority in the UAE or otherwise give notice to any lessee or obligor in respect thereof. Therefore, other than from a *Shari'a* perspective, Wakala Series Certificateholders shall not have any interest in any Wakala Assets which require perfection in order to legally transfer any ownership interest therein.

### ***Transfer of the Wakala Assets***

No investigation has been or will be made as to whether any interest in any Wakala Assets may be transferred as a matter of the law governing the contracts (if any), the law of the jurisdiction where such Wakala Assets are located or any other relevant law. No investigation will be made to determine if any Wakala Series Purchase Agreement will have the effect of transferring an interest in the relevant Wakala Assets.

Nevertheless, as indicated earlier, although the *Shari'a* analysis is such that an ownership interest in the Wakala Assets will pass to the Trustee under the Wakala Series Purchase Agreement, the Wakala Series Certificateholders will not have any rights of enforcement as against the Wakala Assets and their rights are limited to enforcement against the Company of its obligation to purchase all (or the applicable portion thereof, as the case may be) of the Wakala Assets pursuant to the terms of the Wakala Series Purchase Undertaking.



However, the Company has covenanted in the Wakala Series Purchase Undertaking and the Master Declaration of Trust that if the relevant Wakala Series Exercise Price is not paid in accordance with the Wakala Series Purchase Undertaking for any reason whatsoever, the Company shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the outstanding Wakala Series Certificates or the relevant Wakala Series Certificates to be redeemed on the Optional Dissolution Put Option Date, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price or the Optional Dissolution (Put Option) Exercise Price, as the case may be.

If the Company fails to purchase all (or the applicable portion thereof, as the case may be) of the Wakala Assets in accordance with the Wakala Series Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Wakala Series Condition 16 (*Enforcement and Exercise of Rights*) and the terms of the Master Declaration of Trust, seek to enforce, *inter alia*, the provisions of the Wakala Series Purchase Undertaking and the Master Declaration of Trust against the Company by commencing proceedings in respect of such documents (for further details, see "*Risks Related to Enforcement*").

### **Risks Related to Enforcement**

#### ***Investors may experience some difficulty in enforcing arbitration awards and foreign judgments against the Company***

The payments under the Certificates are dependent upon the Company making payments to the Trustee in accordance with the Transaction Documents. If the Company fails to do so, it may be necessary for investors to bring an action against the Company to enforce its obligations and/or to claim damages, as appropriate. Such action may be costly and time consuming. The Company is incorporated in and under the laws of the DIFC, its headquarters are located in Dubai and a substantial portion of the assets of the Company are located in the UAE and a number of other jurisdictions outside the U.K. and the United States. As a result, prospective investors may have difficulty effecting service of process in the United Kingdom or the United States upon the Company in connection with any lawsuits related to the Certificates, including actions arising under the laws of England and Wales or the federal securities laws of the United States.

#### *Governing law and dispute resolution provisions*

Each of the English Law Documents are governed by English law and (subject to the exercise of an option to litigate given to the parties to the English Law Documents (other than the Company)) the parties to the English Law Documents have agreed to refer any dispute in relation to such documents to arbitration under the Arbitration Rules of the LCIA (the "**LCIA Rules**"). The seat of such arbitration shall be London, England. Pursuant to the option to litigate referred to above, the Company has agreed to submit to the jurisdiction of the courts of England in respect of any dispute arising out of or in connection with the English Law Documents, subject to the right of the Agents, the Trustee, the Delegate, the Certificateholders and any Arranger or Dealer, as the case may be, to elect to bring proceedings in any other court or courts of competent jurisdiction.

#### *Decree 57 Tribunal*

On 13 December 2009, the Ruler of Dubai passed a decree establishing a tribunal (the "**Tribunal**") to decide certain disputes relating to Dubai World and its direct and indirect subsidiaries (each a "**Dubai World Company**"), including the Company, and their respective creditors. The decree, titled Decree No. 57 of 2009 Establishing a Tribunal to decide the Disputes Related to the Settlement of the Financial Position of Dubai World and its Subsidiaries, as amended ("**Decree 57**"), established an insolvency protection and reorganisation framework for each Dubai World Company by applying the insolvency regime of the DIFC, with certain modifications, to each Dubai World Company. Decree 57 authorises the Tribunal to *inter alia*, hear and decide any demand or claim submitted against any Dubai World Company and hear and decide any demand or claim submitted against any person related to the settlement of the financial obligations of any Dubai World Company. Decree 57 also provides that courts in Dubai, including the courts of the DIFC (the "**DIFC Courts**"), are not competent to decide on any demand, claim or other matter which is within the jurisdiction of the Tribunal by virtue of Decree 57. Accordingly, as long as Decree 57 remains in force, the Tribunal shall have jurisdiction with respect to "*any demand, claim or other matter*" regarding the Trustee or the Company.

There has been at least one case before the DIFC Courts where, on the application for enforcement of an arbitral award against a company which was the subject of a special tribunal (which was similar to the Tribunal), the DIFC Courts concluded that they did not have jurisdiction to enforce such an award on the basis that the company was subject to the jurisdiction of the special tribunal. It is therefore likely that the DIFC Courts will not enforce an arbitral award or a foreign court judgment against the Company relating to the English Law Documents. The Tribunal issued a practice direction on 30 March 2010 stating that it will be the policy of the Tribunal to respect and enforce arbitration agreements made between a Dubai World Company and its creditors and that where disputes have already arisen, the Tribunal expects the parties to continue with pending arbitration proceedings in accordance with their contractual obligations. However, it is unclear how the Tribunal would treat a judgment of a foreign court or an arbitral award relating to the English Law Documents.

Article 4 of Decree 57 sets out the general framework in which the Tribunal operates and states that the Tribunal shall decide claims submitted to it pursuant to, *inter alia*, DIFC Court Law No. 10 of 2004 (as amended) (the "**DIFC Court Law**"). Article 30 of the DIFC Court Law directs the DIFC Courts, when exercising their powers and functions, to apply Dubai Law No. 12 of 2004 (as amended) (the "**Judicial Authority Law**"), DIFC law or any legislation made under it, the rules of the DIFC Court and any law agreed by the parties. Therefore, in the event that the Tribunal accepts jurisdiction over a claim, it should seek to apply the governing law chosen by the parties in determining disputes in accordance with the Judicial Authority Law, DIFC Law No. 10 of 2005 (as amended) (the "**Application Law**") and DIFC Law No. 3 of 2004 (as amended), except in certain circumstances described in such laws (including in case of any regulatory content or a conflict with public morals and public policy in the UAE).

If the Tribunal were to cease to exist in the future, the DIFC Courts should be able to enforce a foreign judgment or arbitral award obtained in actions against the Company (as set out in the paragraphs below).

#### *Enforcement in the DIFC courts*

Pursuant to Article 13 of the Application Law, the parties' express submission to both arbitration and to the jurisdiction of the English courts should be effective, except in certain circumstances described in applicable laws.

In addition, Article 24 of the DIFC Court Law provides that, pursuant to Article 7(4) of the Judicial Authority Law (which has been replaced by an amended Article 7 in Dubai Law No. 16 of 2011), the DIFC Court of First Instance has jurisdiction to ratify any judgment, order or award of any recognised: (i) foreign court; (ii) Dubai or UAE court; (iii) DIFC or foreign (including the UAE) arbitral award or any award recognised by the DIFC Court Law; or (iv) orders for the purposes of any subsequent application for enforcement in the courts of Dubai. Article 42(1) of the DIFC Court Law provides that judgments, orders or awards issued or ratified by the DIFC Courts may be enforced within the DIFC in the manner prescribed in the rules of the DIFC Courts (the "**DIFC Rules of Court**").

The DIFC Rules of Court provide that foreign judgments for the payment of money may be enforced (providing the necessary procedural requirements are satisfied) by certain prescribed methods. There is no clear guidance on what is a "recognised foreign court". In theory, therefore, an English judgment could be enforced within the DIFC against the contract counterparty. However, precedent is limited and it remains to be seen in practice whether any additional hurdles will need to be satisfied before the DIFC Court will ratify and enforce a foreign judgment or arbitral award. The DIFC Court Law provides that, once an arbitral award has been recognised by the DIFC Courts, it will be enforceable within the DIFC pursuant to Article 42(1). However, an arbitral award may not be recognised and enforced by the DIFC Courts in all circumstances.

Article 24(2) of the DIFC Court Law provides that where the UAE has entered into an applicable treaty for mutual enforcement of judgments, orders or awards, the DIFC Court of First Instance will comply with the terms of such a treaty. Similarly, Article 42(1) of DIFC Law No. 1 of 2008, as amended (the "**DIFC Arbitration Law**") provides that an arbitral award, irrespective of the state or jurisdiction in which it was made, shall be recognised as binding within the DIFC. Article 42 also repeats the provisions of Article 24(2) of the DIFC Court Law, and provides that where the UAE has entered into an applicable treaty for the mutual enforcement of judgments, orders or awards, the DIFC Court will comply with the terms of such a treaty.

Although the UAE has not yet entered into such a bilateral enforcement treaty with England, on 23 January 2013, the Chief Justice of the DIFC Courts and the Judge in Charge of the U.K. Commercial Court of the Queen's Bench Division, England and Wales (the "**Commercial Court**") entered into a Memorandum of Guidance (the "**Memorandum of Guidance**") setting out their understanding of the procedures for the enforcement of money judgments in the Commercial Court and *vice versa*. The Memorandum of Guidance is expressed to have no binding legal effect and does not constitute a bilateral enforcement treaty or legislation (and therefore is not binding on the judges of either party and does not supersede any existing laws, judicial decisions or court rules) but it may provide useful insight into the position that is likely to be adopted by the DIFC Courts when enforcing monetary judgments issued by the Commercial Court. The Memorandum of Guidance includes a non-exhaustive list of grounds upon which the enforcement of the foreign judgment may be challenged in the DIFC Courts. It remains to be seen how the Memorandum of Guidance will be applied in practice by the DIFC Courts, although there is at least one case where an English judgment was enforced by the DIFC Courts. The UAE has not yet entered into a similar memorandum or any bilateral enforcement treaty with the United States.

Moreover, the UAE is a signatory to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") and the DIFC Court of First Instance should therefore recognise a foreign arbitral award if it complies with the requirements of the New York Convention and the DIFC Arbitration Law. Under the DIFC Arbitration Law, the recognition of an arbitral award, irrespective of the state or jurisdiction in which it was made, may be refused by the DIFC Courts only on the grounds set out in Article 44(1)(a) and Article 44(1)(b) of the DIFC Arbitration Law, which include, inter alia, the subject matter of the dispute not being capable of settlement by arbitration under the laws of the DIFC or the enforcement of the award being contrary to the public policy of the UAE.

Further, some remedies available under the laws of England and Wales and the laws of U.S. jurisdictions (including some remedies available under the U.S. federal securities laws) may not be upheld in the DIFC Courts on the basis that such remedies may amount to a penalty.

***The Company's waiver of immunity may not be effective under the laws of the DIFC***

Dubai Law No. 10 of 2005 (as amended) states that "no debt or obligation owing from the Ruler or the Government may be recovered by seizing, attachment, selling by public auction or taking possession in any legal action of the Ruler's or the Government's properties and assets whether or not a final judgment is issued in respect of such debt or obligation". In addition, Article 106 of Cabinet Resolution 57 of 2018 states that "without prejudice to the provisions of any other Statute, the following may not be subject to attachment: the public property of the State or any Emirate thereof as well as endowment property...". Since the Company is indirectly majority-owned by the Government of Dubai, it may be able to claim sovereign immunity.

Decree 57 is, however, silent on the issue of immunity although, as stated above, Article 4 of Decree 57 provides that the Tribunal shall have reference to the laws of Dubai, which include Dubai Law No. 10 of 2005 (as amended) and Cabinet Resolution 57 of 2018. However, Article 3 of Decree 57, and the DIFC Rules of Court, grant the Tribunal power to make interim orders, such as freezing and detaining the assets of the Company. This would appear to directly conflict with the immunity from attachment. As a result, although the Trustee has irrevocably waived its right in relation to sovereign immunity, there can be no assurance as to whether such waivers of immunity from execution, attachment or other legal process by it under the Transaction Documents are legal, valid, binding and enforceable under the laws of the DIFC. Further, there can be no assurance as to whether such waivers of immunity, if valid and binding, could or could not be revoked by the Company.

***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 any court in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment given against the Company, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest.

## **Risks Related to the Market Generally**

### ***A secondary market may not develop for any Certificates***

The Certificates may have no established a trading market when issued, and one may never develop. If a market does develop, it may not be liquid. The liquidity of any market for the Certificates that may develop depends on a number of factors, including:

- the method of calculating the dissolution and periodic distribution amounts in respect of the Certificates;
- the time remaining to the Scheduled Dissolution Date;
- the outstanding amount of the Certificates;
- the redemption features of the Certificates; and
- the level, direction and volatility of market interest rates generally.

Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Certificates that are especially sensitive to market rates, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Certificates generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material and adverse effect on the market value of Certificates.

### ***The Certificates may be subject to exchange rate risk and exchange controls***

The Trustee will pay dissolution and periodic distribution amounts on the Certificates in the Specified Currency. Similarly, the Company will pay amounts under the Transaction Documents in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. Neither the Trustee nor the Company has any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. However, fluctuations between currencies in the past are not necessarily indicative of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Certificates; (ii) the Investor's Currency-equivalent value of the principal payable on the Certificates; and (iii) the Investor's Currency equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment on a Certificate or under a Transaction Document. As a result, investors may receive less dissolution or periodic distribution amounts than expected, or receive no dissolution or periodic distribution amounts. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Certificate may not be available at such Certificate's maturity.

### ***Credit ratings assigned to the Company and/or the Certificates are subject to ongoing evaluation and there can be no assurance that the ratings currently assigned to the Company and/or the Certificates will not be placed on credit watch or downgraded***

As at the date of this Base Prospectus, the Company has been assigned a rating of Baa1 (stable outlook) by Moody's and BBB+ (stable outlook) by Fitch. Each of Fitch and Moody's is established in the EU and is registered under the CRA Regulation. One or more independent credit rating agencies may also assign credit ratings to the Certificates. Any ratings of either the Company or the Certificates may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this Base Prospectus

and other factors that may affect the value of the Certificates. Nevertheless, real or anticipated changes in the Company's credit ratings or the ratings of the Certificates generally will affect the market value of the Certificates. Any adverse change in the applicable credit rating could adversely affect the trading price of the Certificates.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by a EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list. Limited information with respect to ratings will be disclosed in the applicable Final Terms (or Pricing Supplement, as applicable). A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

## OVERVIEW OF THE GROUP

*This overview should be read as an introduction to, and is qualified in its entirety by reference to, the more extensive information contained elsewhere in this Base Prospectus. This overview does not contain all of the information that prospective investors should consider before deciding to invest in the Certificates and any such decision should be based on a consideration of this Base Prospectus as a whole. Prospective investors should read this entire Base Prospectus carefully, including the financial statements and related notes and the information set forth under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".*

### Overview of the Group

The Group is a leading enabler of global trade and an integral part of the supply chain. The Group operates multiple yet related businesses spanning marine and inland terminals, maritime services, logistics and ancillary services and technology-driven trade solutions. The Group organises its business into three divisions: (i) port and terminals; (ii) parks, logistics and economic zones ("**PLEZ**"); and (iii) maritime services.

The ports and terminals division aims to meet the needs of dynamic global supply chains, as the Group develops and operates trade-enabling, strategically located, and state of the art infrastructure and services, including marine terminals, inland terminals, and cruise terminals. The ports and terminals division is the Group's largest division and represented approximately 76.1 per cent. of the Group's revenues for the year ended 31 December 2018.

The PLEZ division aims to provide end-to-end customer experience, by delivering integrated solutions across the containerised value chain, including industrial parks and economic zones as well as logistics services. The PLEZ division represented approximately 12.9 per cent. of the Group's revenues for the year ended 31 December 2018.

The maritime services division aims to complement the Group's global trade services, by providing maritime solutions through a wide portfolio of specialist vessels, river barging, chartering and port services. The maritime services division represented approximately 11.1 per cent. of the Group's revenues for the year ended 31 December 2018.

As at 31 December 2018, the Group managed over 150 operations in over 45 countries across six continents with a significant presence in both high-growth and mature markets. The Group aims to be essential to the future of global trade, ensuring everything it does has a long-lasting positive impact on economies and societies. As at 31 December 2018, the Group's portfolio had a gross capacity of 90.5 million TEU and, for the year ended 31 December 2018, the Group generated gross throughput of 71.4 million TEU, revenue of U.S.\$5,646.3 million, profit for the year of U.S.\$1,357.6 million and an Adjusted EBITDA of U.S.\$2,808.0 million.

### Recent Developments

On 20 February 2019, the Group announced the acquisition of 100 per cent. ownership in the holding company of P&O Ferries and P&O Ferrymasters (together "**P&O Ferries**") for a purchase consideration of U.S.\$409 million. P&O Ferries is a pan-European integrated logistics business consisting of: (i) a market leading roll-on roll-off ferries operation; and (ii) a European transportation and logistics solutions provider, P&O Ferrymasters. The transaction was completed in July 2019 and the related acquisition accounting is in the process of being completed.

On 9 May 2019, the Group announced the acquisition of Fraser Surrey Docks from Macquarie Infrastructure Partners ("**MIP**"). Fraser Surrey Docs is a large, multi-purpose marine terminal located in the greater Vancouver area of British Columbia, Canada. The acquisition will be affected through DP World's Canadian subsidiary, DP World Canada Investment Inc., 45 per cent. of which is owned by Caisse de dépôt et placement du Québec ("**CDPQ**"). The acquisition is subject to customary completion conditions and is expected to close before the end of 2019.

On 23 May 2019, Hindustan Infralog Private Limited, a joint venture between the Group and the National Investment and Infrastructure Fund, announced the acquisition of a 76 per cent. stake in KRIBHCO Infrastructure Limited ("**KRIL**"). KRIL operates three major inland container depots/private freight terminals at Pali in Haryana (India), Modinagar in Uttar Pradesh (India) and Hazira in Gujarat (India).

KRIL also has a strong presence in India's National Capital Region, including a terminal located on a notified double stack route. The transaction is subject to customary completion conditions and is expected to close in the second half of 2019.

In July 2019, the Group announced the acquisition of 100 per cent. of Topaz Energy and Marine Limited ("**Topaz**") from Renaissance Services SAOG and Standard Chartered Private Equity/Affirma Capital for an enterprise value of U.S.\$1,079 million. Topaz is a leading international provider of critical marine logistics and solutions to the global energy industry. It operates a modern and versatile fleet of 117 vessels, predominantly in the Caspian Sea, MENA and West Africa regions. The transaction is subject to customary completion conditions and regulatory approvals and is expected to close in the second half of 2019.

Additionally, in July 2019, the Company issued U.S.\$300,000,000 5.625 per cent. Notes due September 2048 (to be consolidated and form a single series with the Original 2048 Notes (as defined below)) under the GMTN Programme (as defined below). Also, in July 2019, the Trustee issued U.S.\$1,000,000,000 Trust Certificates due July 2029 under the Programme, where holders are entitled to periodic distributions in the amount of 3.875 per cent. of the aggregate face amount of the trust certificates.

### **Risk Factors**

An investment in the Certificates involves significant risks, including: (i) risks related to the Group such as risks associated with declining global trading volumes, the Group's controlling shareholders having interest which may conflict with the interests of Certificateholders, winning new concessions, the expansion of terminals and port facilities, the high level of competition that the Group faces in the container terminal industry for concessions and throughput and the Group's reliance on joint ventures; (ii) risks related to the regions in which the Group operates, such as risks relating to the political and economic conditions in the UAE and in the other countries in which the Group operates, as well as risks associated with anti-trust and competition laws; (iii) risks related to the Certificates, such as risks related to structural subordination of the Certificates; and (iv) risks related to the enforceability of judgments against the Company.

Investors should review these risks carefully prior to making any decision regarding an investment in the Certificates. See "*Risk Factors*" for a further description of certain material risks.

## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Certificates, is supplemented by the applicable Final Terms (or Pricing Supplement, as applicable). The Trustee, the Company and any relevant Dealer may agree that Certificates shall be issued in a form other than that contemplated in the Conditions, in which event, in the case of Certificates other than Non-PR Certificates, a new Base Prospectus or a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.*

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

<b>Trustee</b> .....	DP World Crescent Limited, in its capacity as issuer and as trustee, an exempted company incorporated with limited liability in the Cayman Islands on 14 April 2016 with registered number 310423 with its registered office at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below). The Trustee shall on each relevant Issue Date issue the relevant Certificates to the Certificateholders and act as Trustee in respect of the relevant Trust Assets for the benefit of the relevant Certificateholders.
<b>Ownership of the Trustee</b> .....	The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 shares of U.S.\$1.00 each, of which 100 shares are fully paid up and issued. The Trustee's entire issued share capital is held in trust by Conyers Trust Company (Cayman) Limited as share trustee (the " <b>Share Trustee</b> ") of a purpose trust, including charitable purposes, under the terms of a declaration of trust.
<b>Administration of the Trustee</b> .....	Conyers Trust Company (Cayman) Limited, a service provider incorporated in the Cayman Islands, acts as the secretary of the Trustee (in such capacity, the " <b>Trustee Administrator</b> "). Pursuant to the terms of a corporate services agreement dated 14 April 2016, as assigned to the Trustee Administrator with effect from 1 May 2018, between the Trustee and the Trustee Administrator (the " <b>Corporate Services Agreement</b> "), the Trustee Administrator has agreed to provide, or procure the provision of, certain administrative functions to the Trustee, including registered office, director and alternate director, secretarial, administrative and other services until termination of the Services Agreement. The offices of the Trustee Administrator are situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
<b>The Company</b> .....	DP World PLC, a public company incorporated in the DIFC with Registration Number 0226 issued on 9 August 2006. The address of the Company's registered office is P.O. Box 17000, Dubai, UAE. The Company's telephone number is +971 4 881 1110.  DP World PLC is majority owned by PFZW, which in turn is wholly-owned and controlled by Dubai World.
<b>Description</b> .....	Trust Certificate Issuance Programme.



<b>Size</b> .....	Up to U.S.\$5,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate face amount of Certificates outstanding at any time. The size of the Programme may be increased in accordance with the terms of the Dealer Agreement.
<b>Risk Factors</b> .....	There are certain factors that may affect the Trustee's and the Company's ability to fulfil its obligations under the Certificates issued under the Programme and/or the Transaction Documents. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme. These include certain risks related to the structure of a particular Series of Certificates and certain market risks (see further " <i>Risk Factors</i> ").
<b>Arrangers</b> .....	Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Dubai Islamic Bank P.J.S.C., Emirates NBD Bank PJSC., First Abu Dhabi Bank PJSC and HSBC Bank plc.
<b>Dealers</b> .....	Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Dubai Islamic Bank P.J.S.C., Emirates NBD Bank PJSC., First Abu Dhabi Bank PJSC, HSBC Bank plc and Standard Chartered Bank.
	The Trustee and the Company may from time to time terminate the appointment of any arranger and/or dealer under the Programme or appoint additional arrangers and/or dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to " <b>Permanent Dealers</b> " are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to " <b>Dealers</b> " are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
<b>Delegate</b> .....	Deutsche Trustee Company Limited (the " <b>Delegate</b> "). In accordance with the Master Declaration of Trust, the Trustee will, <i>inter alia</i> , unconditionally and irrevocably appoint the Delegate to be its attorney and to exercise certain future duties, powers, authorities and discretions vested in the Trustee by certain provisions in the Master Declaration of Trust in accordance with the terms of the Master Declaration of Trust. In addition, pursuant to the Master Declaration of Trust, certain powers will be vested solely in the Delegate.
<b>Issuing and Paying Agent, Paying Agent, Exchange Agent and Calculation Agent</b> .....	Deutsche Bank AG, London Branch.
<b>Euro Registrar, Transfer Agent and Paying Agent (in respect of Unrestricted Certificates)</b> .....	Deutsche Bank Luxembourg S.A.
<b>U.S. Registrar, Transfer Agent and Paying Agent (in respect of Restricted Certificates)</b> .....	Deutsche Bank Trust Company Americas.
<b>Method of Issue</b> .....	The Certificates will be issued on a syndicated or non-syndicated basis. The Certificates will be issued in a Manafae Series or a Wakala Series (each, a " <b>Series</b> ") having one or more issue dates and on terms otherwise identical (or identical other than in respect

of the first periodic distribution payment), the Certificates of each Series being intended to be interchangeable with all other Certificates of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first periodic distribution date and face amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the applicable final terms (the "**Final Terms**") or, in the case of Non-PR Certificates, the applicable pricing supplement (the "**Pricing Supplement**").

For the avoidance of doubt, Manafae Series Certificates will not be interchangeable or fungible with any Wakala Series Certificates and *vice versa*.

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

**Form and Delivery of Certificates** The Certificates will be issued in registered form only. The Certificates of each Tranche will be represented on issue by ownership interests in one or more global certificates (each a "**Global Certificate**"), which will be deposited with, and registered in the name of a nominee for, a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or the Depository Trust Company ("**DTC**") (as applicable). Certificates sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by an unrestricted global certificate (an "**Unrestricted Global Certificate**") and Certificates sold to QIBs who are also QPs in reliance on Rule 144A will initially be represented by a restricted global certificate (a "**Restricted Global Certificate**"). Ownership interests in a Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream, Luxembourg and DTC (as applicable), and their respective participants. Certificates in definitive form evidencing holdings of Certificates ("**Definitive Certificates**") will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances (see further "*Form of the Certificates*").

**Clearing Systems** ..... Certificateholders must hold their interest in the relevant Global Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg and/or DTC and in relation to any Series, such other clearing system as may be agreed between the Trustee, the Company, the relevant Dealer(s), the Issuing and Paying Agent and the Delegate.

**Specified Currencies** ..... Subject to compliance with all relevant laws, regulations and directives, Certificates may be issued in any currency agreed between the Trustee, the Company and the relevant Dealer(s).

**Maturities**..... The Certificates will have such maturities as may be agreed between the Trustee, the Company 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 or the relevant Specified Currency (as specified in the applicable Final Terms (or Pricing Supplement, as applicable)).

**Specified Denomination .....** The Certificates will be in such denominations as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable), subject to compliance with then current laws and regulations and the provisions of the following sentence. Certificates will have a minimum denomination of €100,000 (or its equivalent in other currencies as at the date of issue), and in case of any Certificates (including 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, the minimum specified denomination shall be £100,000 (or its equivalent in other currencies), unless otherwise permitted by then current law and regulations.

**Periodic Distribution Amounts ...** Certificateholders are entitled to receive relevant Periodic Distribution Amounts calculated on the basis specified in the Conditions and the applicable Final Terms (or Pricing Supplement, as applicable).

**Fixed Periodic Distributions .....** In respect of Certificates subject to fixed periodic distribution provisions, fixed profit rate will be payable in arrear on the date or dates in each year specified in the applicable Final Terms (or Pricing Supplement, as applicable).

**Floating Periodic Distributions ...** In respect of Certificates subject to floating periodic distribution provisions, the profit rate will be calculated: (i) on the same basis as the floating rate under a notional rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable), in each case, as adjusted for any applicable margin

Specified Periods will be specified in the applicable Final Terms (or Pricing Supplement, as applicable). Investors should be aware that, if LIBOR (or any other benchmark) were discontinued or otherwise unavailable, the amounts payable in respect of any Certificates which reference LIBOR (or such other benchmark) will be determined for the relevant period by the fallback provisions applicable to such Certificates.

**Dissolution on the Scheduled Dissolution Date .....** Unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will redeem the Series of Certificates at an amount equal to the relevant Final Dissolution Amount (as defined in the relevant Conditions) and the relevant Trust in relation to the relevant Series will be dissolved by the Trustee on the relevant Scheduled Dissolution Date specified in the applicable Final Terms (or Pricing Supplement, as applicable) for such Series.

**Early Dissolution of the Trust .....** Subject to the applicable Final Terms (or Pricing Supplement, as applicable) in respect of each Series, the relevant Trust may be dissolved prior to the Scheduled Dissolution Date upon: (i) the occurrence of a Tax Event; (ii) the exercise by the Trustee of the Optional Dissolution Right (Call Option); (iii) the exercise by the

Trustee of the Make Whole Dissolution Right (Call Option); (iv) the exercise by the Certificateholders of the Optional Dissolution Right (Put Option); (v) the exercise by the Certificateholders of the Change of Control Put Option; and (vi) the occurrence of a Dissolution Event (see further Condition 11 (*Capital Distributions of the Trust*) and Condition 15 (*Dissolution Events*)).

In addition, all of the Certificates of the relevant Series may be cancelled following the purchase of such Certificates by or on behalf of the Company and or any of its Subsidiaries (see further Condition 14 (*Purchase and Cancellation of Certificates*)).

**Early Dissolution for Tax Reasons**.....

Where the Trustee has or will become obliged to pay any additional amounts in respect of the relevant Certificates pursuant to Condition 12 (*Taxation*) or the Company has or will become obliged to pay any additional amounts in respect of amounts payable under the relevant Transaction Documents as a result of a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in the relevant Conditions) 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 first Series of the relevant Certificates (as specified in the applicable Final Terms (or Pricing Supplement, as applicable)) and such obligation cannot be avoided by the Trustee or the Company, as applicable, taking reasonable measures available to it, the Trustee will redeem the Certificates, in whole but not in part, at an amount equal to the relevant Tax Redemption Amount on the relevant Tax Redemption Date (see further Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*)).

**Optional Dissolution Right (Call Option) and Optional Dissolution Right (Put Option)**.....

The applicable Final Terms (or Pricing Supplement, as applicable) issued in respect of each Series of Certificates will state whether such Certificates may be redeemed prior to the Scheduled Dissolution Date at the option of the Company (either in whole or in part) or at the option of the Certificateholders, and, if so, the terms applicable to such redemption (see further Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*) and Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*)).

For *Shari'a* reasons, the Optional Dissolution Right (Call Option) and the Optional Dissolution Right (Put Option) cannot both be specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable) in respect of any single Series of Certificates.

**Make Whole Dissolution Right (Call Option)**.....

The applicable Final Terms (or Pricing Supplement, as applicable) issued in respect of each Series of Certificates will state whether such Certificates may be subject to make whole redemption prior to the Scheduled Dissolution Date at the option of the Company (either in whole or in part) and, if so, the terms applicable to such redemption (see further Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*)).

**Change of Control Put Option** ....

If so specified in the applicable Final Terms (or Pricing Supplement, as applicable), each Certificateholder will have the

right to require the redemption of its Certificates if a Change of Control Event occurs (see further Condition 11(e)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*)).

**Status of the Certificates**..... Each Certificate will represent an undivided ownership interest in the Trust Assets of the relevant Series, is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee and will rank *pari passu*, without preference or priority, with all other Certificates of the relevant Series issued under the Programme.

**Manafae Series Trust Assets** ..... Pursuant to the relevant Declaration of Trust for each Manafae Series, the Trustee has declared that it will hold the Manafae Series Trust Assets upon trust absolutely for, and on behalf of, the Manafae Series Certificateholders *pro rata* according to the face amount of Manafae Series Certificates held by each Manafae Series Certificateholder. The term "**Manafae Series Trust Assets**" means: (i) the cash proceeds of the issue of the Manafae Series, pending application thereof in accordance with the terms of the Manafae Series Transaction Documents; (ii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Throughput Services which are purchased by the Trustee pursuant to the relevant Manafae Series Purchase of Services Agreement and which remain to be sold pursuant to the Manafae Series Service Agency Agreement (and the relevant Manafae Series Services Plan) and, if applicable, the Manafae Series Purchase Undertaking or the Manafae Series Sale Undertaking (as the case may be); (iii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Manafae Series Transaction Documents (excluding: (1) any representations given by the Company to the Trustee and/or the Delegate pursuant to any of the Manafae Series Transaction Documents; and (2) the covenant given to the Trustee and/or the Delegate pursuant to clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust); (iv) all monies standing to the credit of the relevant Manafae Series Transaction Account from time to time; and (v) all proceeds of the foregoing.

**Wakala Series Trust Assets** ..... Pursuant to the relevant Declaration of Trust for each Wakala Series, the Trustee has declared that it will hold the Wakala Series Trust Assets upon trust absolutely for, and on behalf of, the Wakala Series Certificateholders *pro rata* according to the face amount of Wakala Series Certificates held by each Wakala Series Certificateholder. The term "**Wakala Series Trust Assets**" means: (i) the cash proceeds of the issue of the Wakala Series, pending application thereof in accordance with the terms of the Wakala Series Transaction Documents; (ii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Wakala Portfolio; (iii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Wakala Series Transaction Documents (excluding: (1) any representations given by the Company to the Trustee and/or the Delegate pursuant to any of the Wakala Series Transaction Documents; and (2) the covenant given to the Trustee and/or the Delegate pursuant to clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust); (iv) all monies standing to the credit of the relevant Wakala Series Transaction Account from time to time; and (v) all proceeds of the foregoing.

<b>Trustee Covenants</b> .....	The Trustee has agreed to certain restrictive covenants as set out in Condition 7 ( <i>Covenants</i> ).
<b>Negative Pledge</b> .....	The Certificates will have the benefit of a negative pledge granted by the Company, as more particularly described in Condition 5 ( <i>Negative Pledge</i> ).
<b>Cross Acceleration</b> .....	The Certificates will have the benefit of a cross acceleration provision as described in Condition 15 ( <i>Dissolution Events</i> ).
<b>Dissolution Events</b> .....	The Certificates will be subject to certain dissolution events as described in Condition 15 ( <i>Dissolution Events</i> ). Following the occurrence of a Dissolution Event, the Certificates of the relevant Series may be redeemed in full at an amount equal to the relevant Final Dissolution Amount.
<b>Ratings</b> .....	Tranches of Certificates to be issued under the Programme will be rated or unrated. Where a Tranche of Certificates is to be rated, the relevant rating(s) (and the credit rating agency issuing such rating(s)) will be specified in the applicable Final Terms (or Pricing Supplement, as applicable).  <i>A securities rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, change or withdrawal at any time by the assigning rating agency, and each rating should be evaluated independently of any other rating.</i>
<b>Withholding Tax</b> .....	All payments by the Trustee in respect of the Certificates shall be made without withholding or deduction for, or on account of, any Taxes imposed in the Cayman Islands (or any political subdivision or any authority thereof or therein having power to tax) unless the withholding or deduction is required by law. In the event that any such withholding or deduction is made by the Trustee as a result of any requirement of law, the Trustee will be required, subject to certain exceptions provided in Condition 12 ( <i>Taxation</i> ), to pay such additional amounts as shall result in receipt by the Certificateholders of the amount that would have been received by them had no such withholding or deduction been required. The Company has agreed in the Transaction Documents that, if the Trustee is required to make any such deduction or withholding, the Company will pay to the Trustee such additional amounts to cover the amounts so withheld or deducted (see further Condition 12 ( <i>Taxation</i> )).  All payments by the Company under the Transaction Documents to which it is a party are to be made without withholding or deduction for, or on account of, any Taxes imposed in the DIFC, Dubai or the UAE (or any political subdivision or any authority thereof or therein having power to tax) unless the withholding or deduction is required by law. In the event that any such withholding or deduction is made by the Company as a result of any requirement of law, the Company will be required to pay to the Trustee additional amounts so that the Trustee will receive the full amounts that it would have received under the relevant Transaction Documents had no such withholding or deduction been required.
<b>ERISA</b> .....	Certificates (or any interest therein) may not be purchased with the assets of: (i) "employee benefit plans" within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (" <b>ERISA</b> "), that are subject to Title I of

ERISA; (ii) "plans" within the meaning of Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), that are subject to Section 4975 of the Code; and (iii) governmental, certain church, non-U.S. and other plans that are subject to a U.S. federal, state, local, non-U.S. or other law or regulation that contains one or more provisions that are substantially similar to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code ("**Similar Law**") (see further "*Certain ERISA and Related Considerations*").

**Limited Recourse**..... Each Certificate of a particular Series will represent an undivided ownership interest in the relevant Trust Assets for such relevant Series. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available from the relevant Trust Assets.

Certificateholders have no recourse to any assets of the Trustee (other than the relevant Trust Assets) or the Company (to the extent that it fulfils its obligations under the relevant Transaction Documents to which it is a party) or the Delegate or any of their respective affiliates in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been enforced, realised and fully discharged following which all obligations of the Trustee and the Company shall be extinguished.

**Governing Law** ..... The Certificates and any non-contractual obligations arising out of or in connection with the same, will be governed by, and construed in accordance with, English law.

Each of the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Manafae Series Master Purchase of Services Agreement, each Manafae Series Supplemental Purchase of Services Agreement, the Manafae Series Service Agency Agreement, the Manafae Series Purchase Undertaking, the Manafae Series Sale Undertaking, each Manafae Series Sale Agreement entered into in connection with the exercise of the Manafae Series Purchase Undertaking or the Manafae Series Sale Undertaking, the Wakala Series Service Agency Agreement, the Wakala Series Purchase Undertaking, the Wakala Series Sale Undertaking, each Wakala Series Sale Agreement entered into in connection with the exercise of the Wakala Series Purchase Undertaking or the Wakala Series Sale Undertaking and the Wakala Series Master Murabaha Agreement (together, the "**English Law Documents**") and any non-contractual obligations arising out of or in connection with the same, will be governed by, and construed in accordance with, English law.

The Wakala Series Master Purchase Agreement and each Wakala Series Supplemental Purchase Agreement (together, the "**Dubai Law Documents**") will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE ("**Dubai Law**").

**Listing and Admission to Trading** Application has been made to list the Certificates issued under the Programme (other than Non-PR Certificates) for a period of 12 months from the date of this Base Prospectus on the Official List

and to admit them to trading on the Regulated Market and references to listing shall be construed accordingly.

Application has also been made to the DFSA for the Certificates issued under the Programme to be admitted to the DFSA Official List and to Nasdaq Dubai for such Certificates to be admitted to trading on Nasdaq Dubai.

As specified in the applicable Pricing Supplement, a Series of Certificates may be unlisted or be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Trustee, the Company and the relevant Dealer (the "**Non-PR Certificates**").

*The FCA has neither approved nor reviewed information contained in this Base Prospectus in connection with Non-PR Certificates.*

**Waiver of Immunity**..... The Company has irrevocably agreed that, should any Proceedings (as defined in Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*)) be taken anywhere (whether for any injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) in relation to those Proceedings (including without limitation, immunity from the jurisdiction of any court or tribunal, suit, service of process, injunctive or other interim relief, any order for specific performance, any order for recovery of land, any attachment (whether in aid of execution, before judgment or otherwise) of its assets, any process for execution of any award or judgment or other legal process) shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Company has irrevocably agreed that it and its assets (irrespective of its use or intended use) are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Transaction Documents to which it is a party. Notwithstanding the foregoing, the Company makes no representation as to whether Dubai Law No. 10 of 2005 (*Government Lawsuits Amendment*) and/or Article 106 of Cabinet Resolution 57 of 2018 will apply to its assets, revenue or property.

**Selling Restrictions**..... There are restrictions on the offer, sale and transfer of the Certificates in the Cayman Islands, the DIFC, the EEA, Japan, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Malaysia, the Republic of Italy, Singapore, State of Qatar (including the Qatar Financial Centre), the UAE, the United Kingdom and the United States. Additional restrictions may be required in connection with the offering and sale of a particular Tranche of Certificates (see further "*Subscription and Sale and Transfer and Selling Restrictions – Selling Restrictions*").

**Transfer Restrictions** ..... There are restrictions on the transfer of Certificates represented by a Restricted Global Certificate or any Certificates issued in exchange or substitution therefor (see further "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*").



**Use of Proceeds**..... The proceeds of each Tranche of Certificates issued under the Programme will be paid by the Trustee to the Company in accordance with the terms of the relevant Transaction Documents.

Such proceeds will be applied by the Company for general corporate purposes, including the refinancing of any indebtedness, or as otherwise described in the applicable Final Terms (or Pricing Supplement, as applicable) (see further "*Use of Proceeds*").

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (i) the "*Terms and Conditions of the Certificates*" contained on pages 59 to 94 (inclusive) in the base prospectus dated 9 May 2016 prepared by the Trustee and the Company in connection with the Programme (an electronic copy of which is available at [https://www.rns-pdf.londonstockexchange.com/rns/8188X\\_-2016-5-10.pdf](https://www.rns-pdf.londonstockexchange.com/rns/8188X_-2016-5-10.pdf)); and
- (ii) the "*Terms and Conditions of the Certificates*" contained on pages 67 to 102 (inclusive) in the base prospectus dated 5 September 2018 prepared by the Trustee and the Company in connection with the Programme (an electronic copy of which is available at [http://www.rns-pdf.londonstockexchange.com/rns/9052Z\\_1-2018-9-5.pdf](http://www.rns-pdf.londonstockexchange.com/rns/9052Z_1-2018-9-5.pdf)).

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Trustee and from the specified office of the Issuing and Paying Agent for the time being in London, upon reasonable notice being given to the Trustee and the Issuing and Paying Agent (as applicable) and during usual business hours.

Any parts of the documents referred to in paragraphs (i) and (ii) above which are not expressly incorporated by reference in this Base Prospectus as provided above are either not relevant for investors or are covered elsewhere in this Base Prospectus.

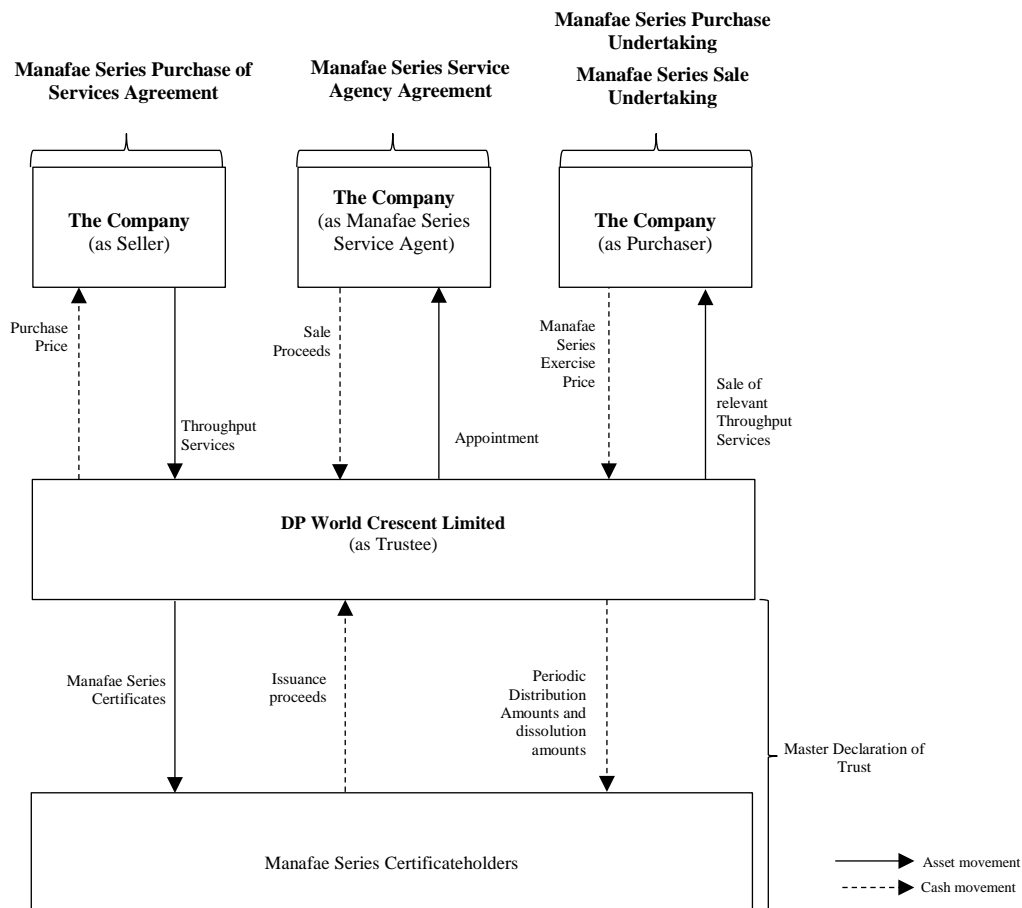
Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Unless specifically incorporated by reference into this Base Prospectus, information contained on any website referred to in this Base Prospectus does not form part of this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Trustee and the Company and approved by: (a) the FCA in accordance with Article 23 of the Prospectus Regulation and relevant implementing measures in the U.K.; and (b) the DFSA in accordance with the Markets Rules of the DFSA. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

## MANAFAE SERIES CERTIFICATES STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows relating to the Manafae Series Conditions. This does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the more detailed information appearing elsewhere in this Base Prospectus. Potential investors are referred to the Manafae Series Conditions and the detailed descriptions of the relevant Manafae Series Transaction Documents set out elsewhere in this Base Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below. Potential investors should read this entire Base Prospectus carefully, especially the risks of investing in Manafae Series Certificates issued under the Programme discussed under "Risk Factors".



### Payments by the Manafae Series Certificateholders and the Trustee

On the issue date of any Manafae Tranche (the "**Issue Date**"), the Manafae Series Certificateholders will pay the issue price in respect of such Manafae Tranche to the Trustee.

On the Issue Date of each Manafae Tranche, the Trustee will, pursuant to the terms of a master purchase of services agreement between the Trustee and the Company (the "**Manafae Series Master Purchase of Services Agreement**") and a supplemental purchase of services agreement between the Trustee and the Company (each, a "**Manafae Series Supplemental Purchase of Services Agreement**"), use the proceeds of the issue of the relevant Manafae Tranche to purchase, on behalf of the Manafae Series Certificateholders, from the Company, (in the case of the first Manafae Tranche of the relevant Manafae Series) certain Initial Throughput Services or (in the case of each subsequent Manafae Tranche of the relevant Manafae Series) certain Tap Throughput Services, in each case, comprising:

- (i) certain Throughput Services (as defined in the Manafae Series Conditions) (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Allotted Throughput Services**") which are made available to the Trustee with effect from the first day of each period identified in the relevant Manafae Series Supplemental Purchase of

Services Agreement until the last day of each such period (each such period a "**Distribution Period**");

- (ii) (if applicable to the relevant Manafae Tranche) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Additional Throughput Services**") which are made available to the Trustee with effect from the first day of the last Distribution Period identified in the relevant Manafae Series Supplemental Purchase of Services Agreement until the last day of such Distribution Period; and
- (iii) (if applicable to the relevant Manafae Tranche) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Further Throughput Services**") which are made available to the Trustee with effect from the first day of each further period occurring after the relevant Scheduled Dissolution Date (each such further period being a "**Further Period**") identified in the relevant Manafae Series Supplemental Purchase of Services Agreement until the last day of such Further Period,

in each case, out of the Company's available capacity and from the Relevant Ports identified in the relevant Manafae Series Supplemental Purchase of Services Agreement.

### **Periodic Distribution Payments**

Pursuant to the terms of a service agency agreement between the Trustee and the Company (as service agent, in such capacity, the "**Manafae Series Service Agent**"), the Trustee will, in relation to each Manafae Series, appoint the Company as its Manafae Series Service Agent to provide certain services (the "**Manafae Series Services**") including, but not limited to:

- (i) selling the relevant Allotted Throughput Services in the number specified for each relevant Distribution Period in the relevant services plan relating to that Tranche (the "**Manafae Series Services Plan**") for a price at least equal to the minimum sale price specified in the relevant Manafae Series Services Plan (the "**Minimum Sale Price**") which shall be calculated by applying the relevant Profit Rate to the acquisition cost per TEU (as specified in the relevant Manafae Series Supplemental Purchase of Services Agreement); and
- (ii) notifying the Trustee in writing, in each case by no later than the date falling five Business Days prior to the end of the Distribution Period to which such Allotted Throughput Services relate, of:
  - (a) the number of Allotted Throughput Services that were not sold during the relevant Distribution Period (such unsold Allotted Throughput Services being the "**Surplus Allotted Throughput Services**"); and
  - (b) any shortfall between (1) the sum of: (x) the aggregate amounts received by the Manafae Series Service Agent (in any capacity) in whatever currency in respect of or otherwise in connection with the sale of the relevant Allotted Throughput Services, and (y) the amounts standing to the credit of the Manafae Series Collection Account (if any); and (2) the aggregate of the Minimum Sale Price for such Allotted Throughput Services, being referred to as the "**Sales Shortfall**".

The Manafae Series Service Agent shall credit an amount equal to the proceeds of the sale of the Allotted Throughput Services (the "**Sales Proceeds**") into a ledger collection account (the "**Manafae Series Collection Account**"). If at any time the amount credited to the Manafae Series Collection Account exceeds the amount of the Periodic Distribution Amount payable on the immediately following Periodic Distribution Date, or, in the case of the final Return Accumulation Period, the Final Dissolution Amount payable on the Scheduled Dissolution Date, then, the Manafae Series Service Agent shall be entitled to debit such excess from the Manafae Series Collection Account and credit it to a ledger reserve account (the "**Manafae Series Reserve Account**").

The Manafae Series Service Agent agrees, in relation to each Manafae Series, that if in respect of any Distribution Period under that Manafae Series any Allotted Throughput Services are sold for less than the relevant Minimum Sale Price and there is a Sales Shortfall, the Manafae Series Service Agent will pay to the Trustee out of the Manafae Series Reserve Account for that Manafae Series (or, if the amounts standing to the credit of the Manafae Series Reserve Account are not sufficient after re-crediting any amounts previously deducted as required pursuant to the terms of the Manafae Series Service Agency Agreement, the Manafae Series Service Agent will pay to the Trustee by way of indemnity on an after tax basis) the Sales Shortfall.

Under the terms of the Manafae Series Purchase Undertaking, in relation to each Manafae Series, the Company irrevocably undertakes to purchase from the Trustee any Surplus Allotted Throughput Services for any Distribution Period on the Business Day immediately preceding the last day of that Distribution Period for an amount in the Specified Currency of that Manafae Series equal to the product of: (A) the relevant Surplus Allotted Throughput Services; and (B) the Minimum Sale Price for that Manafae Series (the "**Sale Exercise Price**").

### **Dissolution Payments**

On the Scheduled Dissolution Date or the Business Day prior to each Periodic Distribution Date of the relevant Manafae Series, the Manafae Series Service Agent will procure the payment to the Trustee (by way of a payment into the transaction account of the Trustee, opened by the Trustee with the Issuing and Paying Agent, in London (the "**Manafae Series Transaction Account**") established for the Manafae Series Certificates of the relevant Manafae Series (and as described further in the Manafae Series Conditions)) of the Periodic Distribution Amounts payable by the Trustee under the Manafae Series Certificates for that Return Accumulation Period or in the case of the final Return Accumulation Period, the Final Dissolution Amount payable on the relevant Scheduled Dissolution Date, and such amounts will be applied by the Trustee for that purpose on the immediately following Periodic Distribution Date or the Scheduled Dissolution Date, as the case may be. Such amounts are expected to be funded by the Sales Proceeds for that Return Accumulation Period, payment of any Further Exercise Price (if applicable and as defined below), payment by the Manafae Series Service Agent of any Sales Shortfall and/or payment of any Sale Exercise Price by the Company, as described above.

Pursuant to the terms of the Manafae Series Purchase Undertaking, the Company will irrevocably grant to the Trustee and/or the Delegate (as applicable), *inter alia*, the following rights in respect of each Manafae Series:

- (i) following the occurrence of a Dissolution Event, to require the Company to purchase the aggregate Allotted Throughput Services held by the Trustee or by the Company on its behalf in respect of a Manafae Series that have not been sold to end customers pursuant to the provisions of the Manafae Series Service Agency Agreement or to the Company pursuant to the other Manafae Series Transaction Documents (the "**Outstanding Throughput Services**"), Additional Throughput Services and, if applicable, Further Throughput Services from the Trustee for a price equal to the product of: (a) the aggregate of the Outstanding Throughput Services, Additional Throughput Services and, if applicable, Further Throughput Services (in each case measured in TEUs) (determined as at the Dissolution Event Redemption Date); and (b) the Minimum Sale Price for that Manafae Series (the "**Manafae Series Exercise Price**"), which shall be credited to the Manafae Series Collection Account for immediate payment to the Manafae Series Transaction Account of an amount in cash sufficient to pay the outstanding face amount of the Manafae Series Certificates plus all due but unpaid Periodic Distribution Amounts;
- (ii) following the exercise of the Change of Control Put Option, to require the Company to purchase such number of Outstanding Throughput Services and, if applicable, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Change of Control Exercise Price by the Minimum Sale Price for that Manafae Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service) (the "**Change of Control Throughput Services**") from the Trustee for a price equal to an amount in the Specified Currency equal to the aggregate outstanding face amount of the Manafae Series Certificates being redeemed pursuant to the Change of Control Put Option plus all due but unpaid Periodic Distribution Amounts relating to such Manafae Series Certificates (the "**Change of Control Exercise Price**"), which shall be paid into the Manafae Series Transaction Account; and
- (iii) following the exercise of the Optional Dissolution Right (Put Option), to require the Company to purchase such number of Outstanding Throughput Services and, if applicable, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Put Option) Exercise Price by the Minimum Sale Price for that Manafae Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service) (the "**Optional Dissolution (Put Option) Throughput Services**") from the Trustee for a price equal to an amount in the Specified Currency equal to the aggregate outstanding face amount of the Manafae Series Certificates being redeemed

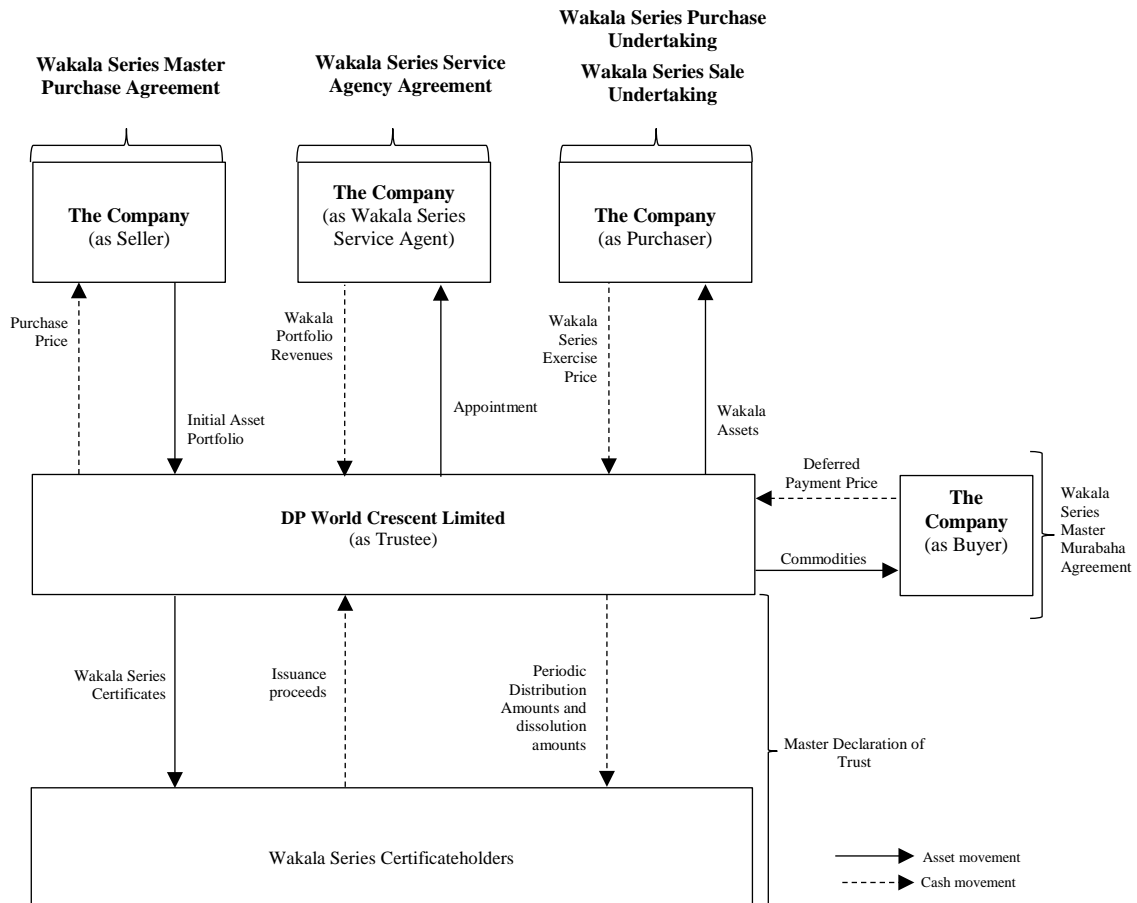
pursuant to the Optional Dissolution Right (Put Option) plus all due but unpaid Periodic Distribution Amounts relating to such Manafae Series Certificates (the "**Optional Dissolution (Put Option) Exercise Price**"), which shall be paid into the Manafae Series Transaction Account.

Pursuant to the terms of a sale undertaking granted by the Trustee in favour of the Company (the "**Manafae Series Sale Undertaking**"), the Trustee will irrevocably grant to the Company, *inter alia*, the following rights in respect of each Manafae Series:

- (a) following the occurrence of a Tax Event, to require the Trustee to sell the Outstanding Throughput Services and, if applicable, the Further Throughput Services for the Exercise Price, which shall be paid into the Manafae Series Transaction Account; and
- (b) following the exercise of the Optional Dissolution Right (Call Option) or, as the case may be, the Make Whole Dissolution Right (Call Option), to require the Trustee to sell such number of Outstanding Throughput Services and, if applicable, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Call Option) Exercise Price or Optional Dissolution (Make Whole Call Option) Exercise Price (as applicable) for that Manafae Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service) from the Trustee for a price equal to an amount in the Specified Currency equal to the aggregate outstanding face amount of the Manafae Series Certificates being redeemed pursuant to such Optional Dissolution Right (Call Option) or Make Whole Dissolution Right (Call Option) (as applicable) plus all due but unpaid Periodic Distribution Amounts relating to such Manafae Series Certificates, which shall be paid into the Manafae Series Transaction Account.

## WAKALA SERIES CERTIFICATES STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows relating to the Wakala Series Conditions. This does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the more detailed information appearing elsewhere in this Base Prospectus. Potential investors are referred to the Wakala Series Conditions and the detailed descriptions of the relevant Wakala Series Transaction Documents set out elsewhere in this Base Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below. Potential investors should read this entire Base Prospectus carefully, especially the risks of investing in Wakala Series Certificates issued under the Programme discussed under "Risk Factors".



### Payments by the Wakala Series Certificateholders and the Trustee

On the issue date of any Wakala Tranche (the "**Issue Date**"), the Wakala Series Certificateholders will pay the issue price in respect of such Wakala Tranche to the Trustee.

On the Issue Date of each Wakala Tranche, the Trustee will, pursuant to the terms of the Wakala Series Transaction Documents, apply the proceeds of the issue of the relevant Wakala Tranche as follows:

- (i) an amount as specified in the applicable Final Terms (or Pricing Supplement, as applicable), which shall be equal to no less than 51 per cent. of the aggregate face amount of the relevant Wakala Series Certificates, to the Company (in its capacity as seller, the "**Seller**") as the purchase price payable for the purchase from the Company of all its rights, title, interests, benefits and entitlements in, to and under certain real estate assets (in the case of the first Wakala Tranche of the Wakala Series, the "**Initial Asset Portfolio**" or, in the case of each subsequent Wakala Tranche of the relevant Wakala Series, the "**Additional Assets**"); and
- (ii) the remaining portion as specified in the applicable Final Terms (or Pricing Supplement, as applicable), which shall be equal to no more than 49 per cent. of the aggregate face amount of the

relevant Wakala Series Certificates, to purchase certain *Shari'a* compliant commodities (the "**Commodities**") through the commodity agent and the Trustee will sell such Commodities to the Company (in its capacity as buyer, the "**Buyer**") on a deferred payment basis for a sale price specified in an offer notice (the "**Deferred Payment Price**") pursuant to a murabaha contract (the "**Murabaha Contract**") (such sale of *Shari'a* compliant commodities by the Trustee to the Buyer, the "**Commodity Murabaha Investment**").

In relation to a Wakala Series, the Initial Asset Portfolio, (if applicable) the Additional Assets and (if applicable) each Commodity Murabaha Investment and all other rights arising under or with respect thereto (including the right to receive payment of principal, profit, rental, Deferred Payment Price and any other amounts due in connection therewith) shall comprise the "**Wakala Portfolio**" in respect of such Wakala Series, and the Eligible Assets comprised in such Wakala Portfolio from time to time, the "**Wakala Assets**".

### **Periodic Distribution Payments**

In relation to a Wakala Series, all revenues from the Wakala Portfolio (including all principal, profit, rental and other amounts) payable in respect of the Wakala Assets and, if applicable, all instalment profit amounts comprising the Deferred Payment Price payable in respect of the Commodity Murabaha Investment (the "**Wakala Portfolio Revenues**") will be recorded by the Wakala Series Service Agent in a ledger collection account (the "**Wakala Series Collection Account**"). On each Wakala Distribution Determination Date (as defined in the Wakala Series Service Agency Agreement), the Wakala Series Service Agent shall pay into the relevant Wakala Series Transaction Account amounts standing to the credit of the Wakala Series Collection Account, which is intended to fund an amount equal to the aggregate of the Periodic Distribution Amounts payable by the Trustee under the relevant Wakala Series Certificates on the immediately following Periodic Distribution Date (the "**Required Amount**") and such Required Amount will be applied by the Trustee for that purpose.

In the event that the Wakala Portfolio Revenues are greater than the Required Amount, the amount of any excess shall be credited by the Wakala Series Service Agent to a separate ledger reserve account (the "**Wakala Series Reserve Account**"). If the amount standing to the credit of the Wakala Series Transaction Account on a Wakala Distribution Determination Date is insufficient to fund the Required Amount, the Wakala Series Service Agent shall apply amounts standing to the credit of the Wakala Series Reserve Account towards such shortfall, by paying an amount equal to the same into the Wakala Series Transaction Account. If having applied such amounts from the Wakala Series Reserve Account, there remains a shortfall, the Company (in its capacity as liquidity provider, the "**Liquidity Provider**") may, in its sole discretion, either:

- (i) provide *Shari'a* compliant funding to the Trustee itself; or
- (ii) procure *Shari'a* compliant funding from a third party to be paid to the Trustee,

in each case, in an amount equal to the shortfall remaining (if any) on terms that such funding is repayable from Wakala Portfolio Revenues received in respect of a subsequent period or on the relevant Dissolution Date on which the relevant Wakala Series Certificates are redeemed in full (each a "**Wakala Series Liquidity Facility**").

### **Dissolution Payments**

On the Business Day prior to the relevant Scheduled Dissolution Date in relation to each Wakala Series:

- (i) the aggregate amounts of Deferred Payment Price then outstanding, if any, shall become immediately due and payable; and
- (ii) the Trustee will have the right under the Wakala Series Purchase Undertaking to require the Company to purchase all of its rights, title, interests, benefits and entitlements in, to and under Wakala Assets at the relevant Wakala Series Exercise Price,

and such amounts are intended to fund the relevant Final Dissolution Amount payable by the Trustee under the relevant Wakala Series Certificates on the Scheduled Dissolution Date.

The Certificates in relation to any Wakala Series may be redeemed in whole or in part, as the case may be, prior to the relevant Scheduled Dissolution Date for the following reasons, in the case of each of (ii), (iii)



and (iv), if so specified in the applicable Final Terms (or Pricing Supplement, as applicable): (i) for taxation reasons; (ii) at the option of the Company (including pursuant to a Make Whole Notice); (iii) at the option of the Certificateholders; (iv) following the occurrence of a Change of Control Event; (v) unless the Real Estate Assets forming part of the relevant Wakala Portfolio have been replaced in accordance with the Wakala Series Service Agency Agreement, following a Total Loss Event, and (vi) following a Dissolution Event.

In the case of each of (i) and (ii) above, on the Business Day prior to the relevant Dissolution Date:

- (a) the aggregate amounts (or the applicable portion thereof) of the Deferred Payment Price then outstanding, if any, shall become immediately due and payable; and
- (b) the Company will have the right under the Wakala Series Sale Undertaking to require the Trustee to sell all (or the applicable portion thereof, as the case may be) of the Trustee's rights, title, interests, benefits and entitlements in, to and under the applicable Wakala Assets at the relevant Wakala Series Exercise Price,

and such amounts are intended to fund the relevant Dissolution Amount payable by the Trustee under the Wakala Series Certificates of the relevant Wakala Series on the Tax Redemption Date or the Optional Dissolution Call Date, as the case may be.

In the case of each of (iii), (iv) and (vi) above, such redemption of the Wakala Certificates shall be funded in a similar manner as for the payment of the relevant Final Dissolution Amount on the Scheduled Dissolution Date save for, on (or, in the case of (iii) above, the Business Day prior to) the relevant Dissolution Date:

- (a) the aggregate amounts (or the applicable portion thereof) of Deferred Payment Price then outstanding, if any, becoming immediately due and payable; and
- (b) the Trustee having the right under the Wakala Series Purchase Undertaking to require the Company to purchase all (or the applicable portion thereof, as the case may be) of its rights, title, interests, benefits and entitlements in, to and under the Wakala Assets at the relevant Wakala Series Exercise Price.

In the case of (v) above, on the Total Loss Dissolution Date:

- (a) the aggregate amounts of Deferred Payment Price then outstanding, if any, shall become immediately due and payable; and
- (b) the Trustee will have the right under the Wakala Series Service Agency Agreement to receive all insurance proceeds relating to the Real Estate Assets, and such amounts are intended to fund the relevant Final Dissolution Amount payable by the Trustee under the relevant Wakala Series Certificates on the Total Loss Dissolution Date.

## FORM OF THE CERTIFICATES

The Certificates of each Series will be in registered form. The Certificates will be issued both outside the United States 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.

### Global Certificates

#### *Form of Certificates*

Each Tranche of Certificates 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 Certificate**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Certificates, beneficial interests in a Unrestricted Global Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Form, Denomination and Title*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Unrestricted Global Certificate will bear a legend regarding such restrictions on transfer.

Each Tranche of Certificates offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to QIBs who are also QPs, in each case acting for their own account or for the account of one or more QIBs who are also QPs. Each Tranche of Certificates sold to QIBs who are also QPs in reliance on Rule 144A will initially be represented by a global certificate in registered form (a "**Restricted Global Certificate**", the Restricted Global Certificate and the Unrestricted Global Certificate, each a "**Global Certificate**"). By the acquisition of a beneficial interest in such 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 Certificate.

No beneficial interest in an Unrestricted Global Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in a Restricted Global 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 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 Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in an Unrestricted Global 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 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.

Global 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 depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms (or Pricing Supplement, as applicable). Persons holding beneficial interests in Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Certificates in fully registered form.

### *Payments*

Each payment in respect of the Global Certificates will be made to the person shown as the holder in the relevant Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificates are being held is open for business. None of the Trustee, the Company, the Delegate, the Issuing and Paying Agent, any Paying Agent or any Registrar 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 Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### ***Exchange for Definitive Certificates***

Interests in a Global Certificates will be exchangeable (free of charge), in whole but not in part, for definitive Certificates of a particular Series only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) a Dissolution Event (as defined in Condition 15 (*Dissolution Events*)) has occurred and is continuing; (ii) in the case of 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 Certificates or DTC has ceased to constitute a clearing agency registered under the Exchange Act and, in either case, no alternative clearing system is available; (iii) in the case of Certificates registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Trustee has 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; or (iv) the Trustee has or will become subject to adverse tax consequences which would not be suffered were the Certificates represented by the Global Certificates in definitive form and a certificate to that effect signed by two Directors of the Trustee is given to the Delegate. The Trustee will promptly give notice to Certificateholders in accordance with Condition 19 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Global Certificates) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) and (iii) above, the Trustee may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar. Definitive Certificates issued in exchange for a beneficial interest in the Restricted Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*".

### ***Delivery***

Upon the transfer, exchange, or replacement of a definitive Certificate bearing the legend referred to under "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*", or upon specific request for removal of the legend on a definitive Certificate, the Trustee will deliver only definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Trustee and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Trustee, that neither the legend nor the restrictions on transfer set out therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. The same transfer restrictions outlined herein and in "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*" are applicable to any definitive Certificates.

### ***Meetings***

The holder of Certificates represented by a Global Certificate shall (unless such Global Certificate represents only one Certificate) be treated as being two persons for the purposes of any quorum requirements of a meeting of Certificateholders. All Certificateholders are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Certificates comprising such Certificateholder's holding, whether or not represented by a Global Certificate.

### ***Cancellation***

Cancellation of any Certificate represented by a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the aggregate face amount of the relevant Global Certificate in the relevant register of the Certificateholders, whereupon the face amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

### ***Put options***

If the Optional Dissolution Right (Put Option) or the Change of Control Put Option is specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable), the Optional Dissolution Right (Put Option) or the Change of Control Put Option, as the case may be, may be exercised by the holder of the Global Certificate giving notice to the relevant Registrar or the relevant Transfer Agent of the face amount of Certificates in respect of which the option is exercised and presenting the Global Certificate within the

time limits specified in Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) or Condition 11(e)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*), as the case may be.

### **Notices**

So long as any Certificates are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the Certificateholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the Certificateholders of that Series. Any such notice shall be deemed to have been given to the Certificateholders on the third day after the day on which such notice is delivered to the relevant clearing system as aforesaid. The Trustee shall also ensure that notices are duly published in a manner that complies with any relevant rules of any stock exchange or other relevant authority on which the Certificates are for the time being, or by which they have for the time being been, admitted to trading.

### **Transfer of Interests**

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

**The 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 – Transfer Restrictions*".**

### **General**

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 (or Pricing Supplement, as applicable) or as may otherwise be approved by the Trustee, the Company and the Issuing and Paying Agent.

No Certificateholder shall be entitled to proceed directly against or provide instructions to the Delegate to proceed against the Trustee under any Transaction Document to which either of them is party unless the Delegate, having become bound so to proceed, fails so to do within a reasonable period and such failure is continuing or is unable by reason of an order of a court having competent jurisdiction to do so and such inability is continuing. In addition, holders of interests in such Global Certificate credited to their accounts with DTC may require DTC to deliver definitive Certificate in registered form in exchange for their interest in such Global Certificate in accordance with DTC's standard operating procedures. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and the Company shall be to enforce their respective obligations under the Transaction Documents.

The Trustee may agree with any Dealer that relevant Certificates may be issued in a form not contemplated by the Conditions in which event a new Base Prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.

## FORM OF APPLICABLE FINAL TERMS FOR THE MANAFAE SERIES CERTIFICATES

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Manafae Series Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Manafae Series Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[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 Manafae Series Certificates has led to the conclusion that: (i) the target market for the Manafae Series Certificates is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")]/[MiFID II]; and (ii) all channels for distribution of the Manafae Series Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Manafae Series Certificates (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Manafae Series 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)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Manafae Series 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).]

Final Terms dated [ ]

**DP World Crescent Limited**

**Legal Entity Identifier (LEI): 21380096JRTWB8TL9236**

**Issue of [Title of Manafae Series Certificates]**

**under the U.S.\$5,000,000,000  
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 Manafae Series Certificates*" (the "**Manafae Series Conditions**") set forth in the base prospectus dated 2 September 2019 (the "**Base Prospectus**") [and the supplement(s) to it dated [ ]]. This document constitutes the Final Terms of the Manafae Series Certificates described herein for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and must be read in conjunction with such Base Prospectus [as so supplemented] in order to obtain all relevant information. The Base Prospectus [and the supplement(s) to it dated [ ]] and the Final Terms are available for viewing at the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and on the Dubai Financial Service Authority's website (<https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents>) and, upon reasonable notice being given and during usual business hours, at the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and at the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the "*Terms and Conditions of the Manafae Series Certificates*" (the "**Manafae Series Conditions**") contained in the Master Declaration of Trust dated [ ] and set forth in the base prospectus dated [ ] [and the supplement(s) to it dated [ ]] which are incorporated by reference into the base prospectus dated 2 September 2019 (the "**Base Prospectus**"). This document constitutes the Final Terms of the Manafae Series Certificates described herein for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated 2 September 2019 [and the supplement(s) to it dated [ ]] in order to obtain all relevant information, which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, save in respect of the Manafae Series Conditions. The Base Prospectus[, the supplement(s) to it] and the Final Terms are available for viewing at the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and on the Dubai Financial Service Authority's website (<https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents>) and, upon reasonable notice being given and during usual business hours, at the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and at the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

- |     |   |   |
|-----|---|---|
| 1.  | (i) Trustee:  | DP World Crescent Limited                                     |
|     | (ii) Obligor:   | DP World PLC  |
| 2.  | (i) Series number:  | [ ]   |
|     | [(ii) Tranche number:   | [ ]]  |
|     | [(iii) Date on which the Manafae Series Certificates will be consolidated and form a single Series: | [ ]]  |
| 3.  | Specified Currency or Currencies:   | [ ]   |
| 4.  | Aggregate face amount of the Manafae Series Certificates:   |   |
|     | (i) Series:   | [ ]   |
|     | [(ii) Tranche:  | [ ]]  |
| 5.  | Issue Price:  | [ ] per cent. of the aggregate face amount                    |
| 6.  | (i) Specified Denominations:  | [ ] [and integral multiples of [ ] in excess thereof]         |
|     | (ii) Calculation Amount:  | [ ]   |
| 7.  | (i) Issue Date:   | [ ]   |
|     | (ii) Return Accumulation Commencement Date:   | [ ]/Issue Date  |
| 8.  | Scheduled Dissolution Date:   | [ ]   |
| 9.  | Profit Basis:   | [[ ] per cent. Fixed Periodic Distribution Amount]            |
|     |   | [[ ] +/- [ ] per cent. Floating Periodic Distribution Amount] |
| 10. | Dissolution Basis:  | Dissolution at par  |

11. Put/Call Options: [Optional Dissolution Right (Call Option)]  
 Make Whole Dissolution Right (Call Option)  
 [Optional Dissolution Right (Put Option)]  
 [Change of Control Put Option]  
 [Not Applicable]
12. (i) Status of the Manafae Series Certificates: Senior
- (ii) Date [board] approval for issuance of Manafae Series Certificates obtained: [ ] in the case of the Trustee  
 [ ] in the case of the Company

**PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS**

13. Fixed Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (i) Profit Rate: [ ] per cent. per annum payable [[annually]/[semi-annually]/[quarterly]/[monthly]/[ ]] in arrear on each Periodic Distribution Date
- (ii) Periodic Distribution Date(s): [ ] [and [ ]] in each year [up to and including the Scheduled Dissolution Date], commencing on [[the Issue Date]/[ ]]
- (iii) Fixed Amount[(s)]: [[ ] per Calculation Amount]/[Not Applicable]
- (iv) Broken Amount(s): [[ ] per Calculation Amount payable on the Periodic Distribution Date falling in/on [ ]]/[Not Applicable]
- (v) Day Count Fraction: [30/360]  
 [30E/360]  
 [30E/360 (ISDA)]  
 [Actual/360]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/Actual or Actual/Actual (ISDA)]  
 [Actual/Actual (ICMA)]
- (vi) Determination Dates: [[ ] in each year]/[Not Applicable]
14. Floating Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (i) Specified Period: [ ], subject to adjustment in accordance with the Business Day Convention set out in (iv) below/[ , not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]

- (ii) Specified Periodic Distribution Date(s): [ ] [and [ ]] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]/[not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]
- (iii) Specified Period Date: [ ], subject to adjustment in accordance with Manafae Series Condition 10(c)
- (iv) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
- (v) Business Centre(s): [ ]/[Not Applicable]
- (vi) Manner in which the Profit Rate(s) and Specified Amount is/are to be determined: [ISDA Determination]/[Screen Rate Determination]
- (vii) Party responsible for calculating the Profit Rate(s) and Specified Amount (if not the Calculation Agent): [ ]
- (viii) ISDA Determination:
- (a) Floating Rate Option: [ ]
- (b) Designated Maturity: [ ]
- (c) Reset Date: [ ]
- (d) ISDA Definitions: [2000]
- (ix) Screen Rate Determination:
- (a) Reference Rate: [EURIBOR/LIBOR/LIBID/LIMEAN]

[EURIBOR is provided by European Money Markets Institute. As at the date hereof, European Money Markets Institute appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended]

[LIBOR is provided by ICE Benchmark Administration Limited. As at the date hereof, ICE Benchmark Administration Limited appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended]

[[LIBID/LIMEAN] is provided by [ ]. As at the date hereof, [ ] [appears/does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**").] / [As far as the Trustee and Company are aware, as at the date hereof, [LIBID/LIMEAN] does not fall within the scope of the Benchmarks Regulation]/[As far as the Trustee and Company are aware, the transitional



provisions in Article 51 of the Benchmarks Regulation apply, such that [ ] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]

- (b) Periodic Distribution Determination Date: [ ]
- (c) Relevant Screen Page: [ ]
- (x) Linear Interpolation: [Applicable – the Profit Rate for the [long/short] [first/last] Specified Period shall be calculated using Linear Interpolation]/[Not Applicable]
- (xi) Margin(s): [+/-][ ] per cent. per annum
- (xii) Minimum Profit Rate: [ ] per cent. per annum
- (xiii) Maximum Profit Rate: [ ] per cent. per annum
- (xiv) Day Count Fraction: [30/360]  
[30E/360]  
[30E/360 (ISDA)]  
[Actual/360]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]

**PROVISIONS RELATING TO DISSOLUTION**

- 15. Optional Dissolution Right (Call Option): [Applicable]/[Not Applicable]
  - (i) Optional Dissolution Call Date (or Optional Dissolution Partial Call Date): [ ]
  - (ii) Optional Dissolution Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
  - (iii) If redeemable in part: [Applicable]/[Not Applicable]
    - (a) Minimum Dissolution Amount: [[ ] per Calculation Amount]/[Not Applicable]
    - (b) Maximum Dissolution Amount: [[ ] per Calculation Amount]/[Not Applicable]
  - (iv) Notice period (if other than as set out in the Manafae Series Conditions): [ ]/[Not Applicable]

16. Make Whole Dissolution Right (Call Option): [Applicable]/[Not Applicable]
- (i) Make Whole Trigger Date: [ ]
- (ii) Benchmark Security: [United States Treasury security]/[ ]
- (iii) Make Whole Redemption Rate: [Rate per annum equal to the [semi-]annual equivalent yield to maturity of the applicable Comparable Security, assuming a price for such Comparable Security (expressed as a percentage of its principal amount) equal to the applicable Comparable Security Price for such redemption date]/[ ]
- (iv) Make Whole Redemption Margin: [ ] per cent.
- (v) Reference Dealer(s): [ ]/[Not Applicable]
- (vi) Reference Quotation Time: [ ]
- (vii) If redeemable in part: [Applicable]/[Not Applicable]
- (viii) Notice period (if other than as set out in the Manafae Series Conditions): [ ]/[Not Applicable]
17. Optional Dissolution Right (Put Option) [Applicable]/[Not Applicable]
- (i) Optional Dissolution Put Date (or Optional Dissolution Partial Put Date): [ ]
- (ii) Optional Dissolution Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
- (iii) Notice period (if other than as set out in the Manafae Series Conditions): [ ]/[Not Applicable]
18. Change of Control Put Option: [Applicable]/[Not Applicable]
- (i) Change of Control Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
19. Final Dissolution Amount: [Final Dissolution Amount]/[[ ] per Calculation Amount]
20. Tax Redemption Amount (following early dissolution for tax reasons): [Final Dissolution Amount/[ ] per Calculation Amount]

**GENERAL PROVISIONS APPLICABLE TO THE MANAFAE SERIES CERTIFICATES**

21. Form of Manafae Series Certificates: Registered Certificates:
- [Unrestricted Global Certificate [(U.S.\$[ ] face amount)] registered in the name of a nominee for [[DTC]/[a common depository for Euroclear and Clearstream, Luxembourg]]]
- [Restricted Global Certificate [(U.S.\$[ ] face amount)] registered in the name of a nominee for [[DTC]/[a

common depository for Euroclear and Clearstream,  
Luxembourg]]]

[Reg. S Compliance Category 2][:] [Rule 144A]

22. Additional Financial Centre(s) or other special provisions relating to payment dates: [ ]/[Not Applicable]

**SIGNED** on behalf of DP World Crescent Limited:

By: .....  
Duly authorised

**SIGNED** on behalf of DP World PLC:

By: .....  
Duly authorised

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing and admission to trading: Application [will be/has been/is expected to be] made by the Trustee (or on its behalf) for the Manafae Series Certificates to be admitted to trading on the London Stock Exchange's regulated market and to the official list of the FCA with effect from [the Issue Date/[ ]]
- [Application [will be/has been/is expected to be] made by the Trustee (or on its behalf) for the Manafae Series Certificates to be admitted to trading on Nasdaq Dubai and to the official list of securities maintained by the Dubai Financial Services Authority with effect from [the Issue Date/[ ]]]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

- Ratings: [The Manafae Series Certificates to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Manafae Series Certificates of this type issued under the Programme generally]:
- [Standard & Poor's: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [Other: [ ]]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Trustee and the Company are aware, no person involved in the issue of the Manafae Series Certificates has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Company and its affiliates in the ordinary course of business for which they may receive fees]/[Not Applicable]

### 4. USE OF PROCEEDS

[General corporate purposes]/[ ]

### 5. YIELD

[ ] per cent. per annum [on a [quarterly]/[[semi-] annual] basis][. The indication of profit or return is calculated at the Issue Date on the basis of the Issue Price and may not be an indication of future profit or return]

### 6. OPERATION INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CUSIP: [ ]

- (iv) CINS: [ ]
- (v) Any other security identification code(s): CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[ ]/[Not [Applicable/Available]]
- FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[ ]/[Not [Applicable/Available]]
- [ ]
- (vi) Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [ ]/[Not Applicable]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (ix) Name and address of Registrar(s): [ ]

7. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated]/[Non-syndicated]
- (ii) If syndicated, names of Managers: [ ]/[Not Applicable]
- (iii) Stabilisation Manager(s): [ ]/[Not Applicable]
- (iv) If non-syndicated, name of Dealer: [ ]/[Not Applicable]
- (v) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]

8. **THIRD PARTY INFORMATION**

[[ ] has been extracted from [ ]. The Trustee and the Company confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ] no facts have been omitted which would render the reproduced information inaccurate or misleading]/[Not Applicable]

## FORM OF APPLICABLE FINAL TERMS FOR THE WAKALA SERIES CERTIFICATES

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Wakala Series Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Wakala Series Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[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 Wakala Series Certificates has led to the conclusion that: (i) the target market for the Wakala Series Certificates is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")]/[MiFID II]; and (ii) all channels for distribution of the Wakala Series Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Wakala Series Certificates (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Wakala Series 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)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Wakala Series 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).]

Final Terms dated [ ]

**DP World Crescent Limited**

**Legal Entity Identifier (LEI): 21380096JRTWB8TL9236**

**Issue of [Title of Wakala Series Certificates]**

**under the U.S.\$5,000,000,000  
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 Wakala Series Certificates*" (the "**Wakala Series Conditions**") set forth in the base prospectus dated 2 September 2019 (the "**Base Prospectus**") [and the supplement(s) to it dated [ ]]. This document constitutes the Final Terms of the Wakala Series Certificates described herein for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and must be read in conjunction with such Base Prospectus [as so supplemented] in order to obtain all relevant information. The Base Prospectus [and the supplement(s) to it dated [ ]] and the Final Terms are available for viewing at the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and on the Dubai Financial Service Authority's website (<https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents>) and, upon reasonable notice being given and during usual business hours, at the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and at the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the "*Terms and Conditions of the Wakala Series Certificates*" (the "**Wakala Series Conditions**") contained in the Master Declaration of Trust dated [ ] and set forth in the base prospectus dated [ ] [and the supplement(s) to it dated [ ]] which are incorporated by reference into the base prospectus dated 2 September 2019 (the "**Base Prospectus**"). This document constitutes the Final Terms of the Wakala Series Certificates described herein for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated 2 September 2019 [and the supplement(s) to it dated [ ]] in order to obtain all relevant information, which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, save in respect of the Wakala Series Conditions. The Base Prospectus[, the supplement(s) to it] and the Final Terms are available for viewing at the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and on the Dubai Financial Service Authority's website (<https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents>) and, upon reasonable notice being given and during usual business hours, at the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and at the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

- |     |  |   |
|-----|--|---|
| 1.  | (i) Trustee:   | DP World Crescent Limited   |
|     | (ii) Obligor:  | DP World PLC  |
| 2.  | (i) Series number:   | [ ]   |
|     | [(ii) Tranche number:  | [ ]]  |
|     | [(iii) Date on which the Wakala Series Certificates will be consolidated and form a single Series: | [ ]]  |
| 3.  | Specified Currency or Currencies:  | [ ]   |
| 4.  | Aggregate face amount of the Wakala Series Certificates:   |   |
|     | (i) Series:  | [ ]   |
|     | [(ii) Tranche:   | [ ]]  |
| 5.  | Issue Price:   | [ ] per cent. of the aggregate face amount  |
| 6.  | (i) Specified Denominations:   | [ ] [and integral multiples of [ ] in excess thereof]   |
|     | (ii) Calculation Amount:   | [ ]   |
| 7.  | (i) Issue Date:  | [ ]   |
|     | (ii) Return Accumulation Commencement Date:  | [ ]/Issue Date  |
| 8.  | Scheduled Dissolution Date:  | [ ]   |
| 9.  | Profit Basis:  | [[ ] per cent. Fixed Periodic Distribution Amount]<br><br>[[ ] +/- [ ] per cent. Floating Periodic Distribution Amount] |
| 10. | Dissolution Basis:   | Dissolution at par  |

11. Put/Call Options: [Optional Dissolution Right (Call Option)]  
 Make Whole Dissolution Right (Call Option)  
 [Optional Dissolution Right (Put Option)]  
 [Change of Control Put Option]  
 [Not Applicable]
12. (i) Status of the Wakala Series Certificates: Senior
- (ii) Date [board] approval for issuance of Wakala Series Certificates obtained: [ ] in the case of the Trustee  
 [ ] in the case of the Company

**PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS**

13. Fixed Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (i) Profit Rate: [ ] per cent. per annum payable [[annually]/[semi-annually]/[quarterly]/[monthly]/[ ]] in arrear on each Periodic Distribution Date
- (ii) Periodic Distribution Date(s): [ ] [and [ ]] in each year [up to and including the Scheduled Dissolution Date], commencing on [[the Issue Date]/[ ]]
- (iii) Fixed Amount[(s)]: [[ ] per Calculation Amount]/[Not Applicable]
- (iv) Broken Amount(s): [[ ] per Calculation Amount payable on the Periodic Distribution Date falling in/on [ ]]/[Not Applicable]
- (v) Day Count Fraction: [30/360]  
 [30E/360]  
 [30E/360 (ISDA)]  
 [Actual/360]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/Actual or Actual/Actual (ISDA)]  
 [Actual/Actual (ICMA)]
- (vi) Determination Dates: [[ ] in each year]/[Not Applicable]
14. Floating Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (i) Specified Period: [ ], subject to adjustment in accordance with the Business Day Convention set out in (iv) below/[ , not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]



- (ii) Specified Periodic Distribution Date(s): [ ] [and [ ]] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]/[not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]
- (iii) Specified Period Date: [ ], subject to adjustment in accordance with Wakala Series Condition 10(c)
- (iv) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
- (v) Business Centre(s): [ ]/[Not Applicable]
- (vi) Manner in which the Profit Rate(s) and Specified Amount is/are to be determined: [ISDA Determination]/[Screen Rate Determination]
- (vii) Party responsible for calculating the Profit Rate(s) and Specified Amount (if not the Calculation Agent): [ ]
- (viii) ISDA Determination:
- (a) Floating Rate Option: [ ]
- (b) Designated Maturity: [ ]
- (c) Reset Date: [ ]
- (d) ISDA Definitions: [2000]
- (ix) Screen Rate Determination:
- (a) Reference Rate: [EURIBOR/LIBOR/LIBID/LIMEAN]

[EURIBOR is provided by European Money Markets Institute. As at the date hereof, European Money Markets Institute appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended]

[LIBOR is provided by ICE Benchmark Administration Limited. As at the date hereof, ICE Benchmark Administration Limited appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended]

[[LIBID/LIMEAN] is provided by [ ]. As at the date hereof, [ ] [appears/does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**").] / [As far as the Trustee and Company are aware, as at the date hereof, [LIBID/LIMEAN] does not fall within the scope of the Benchmarks Regulation]/[As far as the Trustee and Company are aware, the transitional

provisions in Article 51 of the Benchmarks Regulation apply, such that [ ] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]

- (b) Periodic Distribution Determination Date: [ ]
- (c) Relevant Screen Page: [ ]
- (x) Linear Interpolation: [Applicable – the Profit Rate for the [long/short] [first/last] Specified Period shall be calculated using Linear Interpolation]/[Not Applicable]
- (xi) Margin(s): [+/-][ ] per cent. per annum
- (xii) Minimum Profit Rate: [ ] per cent. per annum
- (xiii) Maximum Profit Rate: [ ] per cent. per annum
- (xiv) Day Count Fraction: [30/360]  
[30E/360]  
[30E/360 (ISDA)]  
[Actual/360]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]

**PROVISIONS RELATING TO DISSOLUTION**

- 15. Optional Dissolution Right (Call Option): [Applicable]/[Not Applicable]
  - (i) Optional Dissolution Call Date (or Optional Dissolution Partial Call Date): [ ]
  - (ii) Optional Dissolution Amount: [Partial Dissolution Amount]/[ ] per Calculation Amount]
  - (iii) If redeemable in part: [Applicable]/[Not Applicable]
    - (a) Minimum Dissolution Amount: [ ] per Calculation Amount]/[Not Applicable]
    - (b) Maximum Dissolution Amount: [ ] per Calculation Amount]/[Not Applicable]
  - (iv) Notice period (if other than as set out in the Wakala Series Conditions): [ ]/[Not Applicable]

16. Make Whole Dissolution Right (Call Option): [Applicable]/[Not Applicable]
- (i) Make Whole Trigger Date: [ ]
- (ii) Benchmark Security: [United States Treasury security]/[ ]
- (iii) Make Whole Redemption Rate: [Rate per annum equal to the [semi-]annual equivalent yield to maturity of the applicable Comparable Security, assuming a price for such Comparable Security (expressed as a percentage of its principal amount) equal to the applicable Comparable Security Price for such redemption date]/[ ]
- (iv) Make Whole Redemption Margin: [ ] per cent.
- (v) Reference Dealer(s): [ ]/[Not Applicable]
- (vi) Reference Quotation Time: [ ]
- (vii) If redeemable in part: [Applicable]/[Not Applicable]
- (viii) Notice period (if other than as set out in the Wakala Series Conditions): [ ]/[Not Applicable]
17. Optional Dissolution Right (Put Option) [Applicable]/[Not Applicable]
- (i) Optional Dissolution Put Date (or Optional Dissolution Partial Put Date): [ ]
- (ii) Optional Dissolution Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
- (iii) Notice period (if other than as set out in the Wakala Series Conditions): [ ]/[Not Applicable]
18. Change of Control Put Option: [Applicable]/[Not Applicable]
- (i) Change of Control Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
19. Final Dissolution Amount: [Final Dissolution Amount]/[[ ] per Calculation Amount]
20. Tax Redemption Amount (following early dissolution for tax reasons): [Final Dissolution Amount/[ ] per Calculation Amount]

**GENERAL PROVISIONS APPLICABLE TO THE WAKALA SERIES CERTIFICATES**

21. (i) Tangible Asset Percentage: [ ] per cent.
- (ii) Murabaha Percentage: [ ] per cent.
22. Form of Wakala Series Certificates: Registered Certificates:  
[Unrestricted Global Certificate [(U.S.\$[ ] face amount)] registered in the name of a nominee for [[DTC]/[a

common depository for Euroclear and Clearstream, Luxembourg]]

[Restricted Global Certificate [(U.S.\$[ ] face amount)] registered in the name of a nominee for [[DTC]/[a common depository for Euroclear and Clearstream, Luxembourg]]

[Reg. S Compliance Category 2][;] [Rule 144A]

23. Additional Financial Centre(s) or other special provisions relating to payment dates: [ ]/[Not Applicable]

**SIGNED** on behalf of DP World Crescent Limited:

By: .....  
Duly authorised

**SIGNED** on behalf of DP World PLC:

By: ..... By: .....  
Duly authorised Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing and admission to trading: Application [will be/has been/is expected to be] made by the Trustee (or on its behalf) for the Wakala Series Certificates to be admitted to trading on the London Stock Exchange's regulated market and to the official list of the FCA with effect from [the Issue Date/[ ]]
- [Application [will be/has been/is expected to be] made by the Trustee (or on its behalf) for the Wakala Series Certificates to be admitted to trading on Nasdaq Dubai and to the official list of securities maintained by the Dubai Financial Services Authority with effect from [the Issue Date/[ ]]]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

- Ratings: [The Wakala Series Certificates to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Wakala Series Certificates of this type issued under the Programme generally]:
- [Standard & Poor's: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [Other: [ ]]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Trustee and the Company are aware, no person involved in the issue of the Wakala Series Certificates has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Company and its affiliates in the ordinary course of business for which they may receive fees]/[Not Applicable]

### 4. USE OF PROCEEDS

[General corporate purposes]/[ ]

### 5. YIELD

[ ] per cent. per annum [on a [quarterly]/[[semi-] annual] basis]. The indication of profit or return is calculated at the Issue Date on the basis of the Issue Price and may not be an indication of future profit or return]

### 6. OPERATION INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CUSIP: [ ]

- (iv) CINS: [ ]
- (v) Any other security identification code(s): CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[ ]/[Not [Applicable/Available]]
- FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[ ]/[Not [Applicable/Available]]
- [ ]
- (vi) Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [ ]/[Not Applicable]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (ix) Name and address of Registrar(s): [ ]

7. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated]/[Non-syndicated]
- (ii) If syndicated, names of Managers: [ ]/[Not Applicable]
- (iii) Stabilisation Manager(s): [ ]/[Not Applicable]
- (iv) If non-syndicated, name of Dealer: [ ]/[Not Applicable]
- (v) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]

8. **THIRD PARTY INFORMATION**

[[ ] has been extracted from [ ]. The Trustee and the Company confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ] no facts have been omitted which would render the reproduced information inaccurate or misleading]/[Not Applicable]

## FORM OF PRICING SUPPLEMENT FOR THE MANAF AE SERIES CERTIFICATES

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – *[include appropriate legend if relevant].*]

[MIFID II PRODUCT GOVERNANCE – *[appropriate target market legend to be included].*]

[SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Manafae Series 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).]

### Pricing Supplement dated [ ]

No base prospectus is required to be produced in accordance with Regulation (EU) 2017/1129 (the "Prospectus Regulation") for the issue of Non-PR Certificates described below and, accordingly, the Non-PR Certificates issued as described below are not required to, and do not comply with, the Prospectus Regulation. The Non-PR Certificates do not form part of the Base Prospectus for the purposes of the Prospectus Regulation and the FCA has neither approved nor reviewed the information contained in this Pricing Supplement.

### DP World Crescent Limited

Legal Entity Identifier (LEI): 21380096JRTWB8TL9236

Issue of *[Title of Manafae Series Certificates]*

under the U.S.\$5,000,000,000  
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 Manafae Series Certificates" (the "Manafae Series Conditions") set forth in the base prospectus dated 2 September 2019 (the "Base Prospectus") [and the supplement(s) to it dated [ ]]. This document constitutes the Pricing Supplement relating to the issue of Non-PR Certificates described herein and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all relevant information. The Base Prospectus [and the supplement(s) to it dated [ ]] [is] [are] available for viewing at the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and on the Dubai Financial Service Authority's website (<https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents>) and, upon reasonable notice being given and during usual business hours, at the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and at the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

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

Terms used herein shall be deemed to be defined as such for the purposes of the "Terms and Conditions of the Manafae Series Certificates" (the "Manafae Series Conditions") contained in the Master Declaration of Trust dated [ ] and set forth in the base prospectus dated [ ] [and the supplement(s) to it dated [ ]] which are incorporated by reference into the base prospectus dated 2 September 2019 (the "Base Prospectus"). This document constitutes the Pricing Supplement relating to the issue of Non-PR Certificates described herein and must be read in conjunction with the Base Prospectus dated 2 September 2019 [and the supplement(s) to it dated [ ]] in order to obtain all relevant information, save in respect of the Manafae Series Conditions. The Base Prospectus [and the supplement(s) to it] [is] [are] available for viewing at the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and on the Dubai Financial Service Authority's website (<https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents>) and, upon reasonable notice

being given and during usual business hours, at the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and at the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]*

1. (i) Trustee: DP World Crescent Limited
- (ii) Obligor: DP World PLC
2. (i) Series number: [ ]
- [(ii) Tranche number: [ ]]
- [(iii) Date on which the Manafae Series Certificates will be consolidated and form a single Series: [ ]]
3. Specified Currency or Currencies: [ ]
4. Aggregate face amount of the Manafae Series Certificates:
  - (i) Series: [ ]
  - [(ii) Tranche: [ ]]
5. Issue Price: [ ] per cent. of the aggregate face amount
6. (i) Specified Denominations: [ ] [and integral multiples of [ ] in excess thereof]
- (ii) Calculation Amount: [ ]
7. (i) Issue Date: [ ]
- (ii) Return Accumulation Commencement Date: [ ]/Issue Date
8. Scheduled Dissolution Date: [ ]
9. Profit Basis: [[ ] per cent. Fixed Periodic Distribution Amount]
- [ [ ] +/- [ ] per cent. Floating Periodic Distribution Amount]
10. Dissolution Basis: Dissolution at par
11. Put/Call Options: [Optional Dissolution Right (Call Option)]
- Make Whole Dissolution Right (Call Option)
- [Optional Dissolution Right (Put Option)]
- [Change of Control Put Option]
- [Not Applicable]
12. (i) Status of the Manafae Series Certificates: Senior



- (ii) Date [board] approval for issuance of Manafae Series Certificates obtained: [ ] in the case of the Trustee  
[ ] in the case of the Company

**PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS**

13. Fixed Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (i) Profit Rate: [ ] per cent. per annum payable [[annually]/[semi-annually]/[quarterly]/[monthly]/[ ]] in arrear on each Periodic Distribution Date
- (ii) Periodic Distribution Date(s): [ ] [and [ ]] in each year [up to and including the Scheduled Dissolution Date], commencing on [[the Issue Date]/[ ]]
- (iii) Fixed Amount[(s)]: [[ ] per Calculation Amount]/[Not Applicable]
- (iv) Broken Amount(s): [[ ] per Calculation Amount payable on the Periodic Distribution Date falling in/on [ ]]/[Not Applicable]
- (v) Day Count Fraction: [30/360]  
[30E/360]  
[30E/360 (ISDA)]  
[Actual/360]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]
- (vi) Determination Dates: [[ ] in each year]/[Not Applicable]
14. Floating Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (i) Specified Period: [ ][, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]/[, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]
- (ii) Specified Periodic Distribution Date(s): [ ] [and [ ]] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]/[not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]
- (iii) Specified Period Date: [ ], subject to adjustment in accordance with Manafae Series Condition 10(c)
- (iv) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]

- (v) Business Centre(s): [ ]/[Not Applicable]
- (vi) Manner in which the Profit Rate(s) and Specified Amount is/are to be determined: [ISDA Determination]/[Screen Rate Determination]
- (vii) Party responsible for calculating the Profit Rate(s) and Specified Amount (if not the Calculation Agent): [ ]
- (viii) ISDA Determination:
- (a) Floating Rate Option: [ ]
- (b) Designated Maturity: [ ]
- (c) Reset Date: [ ]
- (d) ISDA Definitions: [2000]
- (ix) Screen Rate Determination:
- (a) Reference Rate: [EURIBOR/LIBOR/LIBID/LIMEAN]
- [EURIBOR is provided by European Money Markets Institute. As at the date hereof, European Money Markets Institute appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended]
- [LIBOR is provided by ICE Benchmark Administration Limited. As at the date hereof, ICE Benchmark Administration Limited appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended]
- [[LIBID/LIMEAN] is provided by [ ]. As at the date hereof, [ ] [appears/does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**").] / [As far as the Trustee and Company are aware, as at the date hereof, [LIBID/LIMEAN] does not fall within the scope of the Benchmarks Regulation]/[As far as the Trustee and Company are aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [ ] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]
- (b) Periodic Distribution Determination Date: [ ]
- (c) Relevant Screen Page: [ ]

- (x) Linear Interpolation: [Applicable – the Profit Rate for the [long/short] [first/last] Specified Period shall be calculated using Linear Interpolation]/[Not Applicable]
- (xi) Margin(s): [+/-][ ] per cent. per annum
- (xii) Minimum Profit Rate: [ ] per cent. per annum
- (xiii) Maximum Profit Rate: [ ] per cent. per annum
- (xiv) Day Count Fraction: [30/360]  
[30E/360]  
[30E/360 (ISDA)]  
[Actual/360]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]

**PROVISIONS RELATING TO DISSOLUTION**

- 15. Optional Dissolution Right (Call Option): [Applicable]/[Not Applicable]
  - (i) Optional Dissolution Call Date [ ] (or Optional Dissolution Partial Call Date):
  - (ii) Optional Dissolution Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
  - (iii) If redeemable in part: [Applicable]/[Not Applicable]
    - (a) Minimum Dissolution Amount: [[ ] per Calculation Amount]/[Not Applicable]
    - (b) Maximum Dissolution Amount: [[ ] per Calculation Amount]/[Not Applicable]
  - (iv) Notice period (if other than as set out in the Manafae Series Conditions): [ ]/[Not Applicable]
- 16. Make Whole Dissolution Right (Call Option): [Applicable]/[Not Applicable]
  - (i) Make Whole Trigger Date: [ ]
  - (ii) Benchmark Security: [United States Treasury security]/[ ]
  - (iii) Make Whole Redemption Rate: [Rate per annum equal to the [semi-]annual equivalent yield to maturity of the applicable Comparable Security, assuming a price for such Comparable Security (expressed as a percentage of its principal amount) equal

- to the applicable Comparable Security Price for such redemption date]/[ ]
- (iv) Make Whole Redemption Margin: [ ] per cent.
  - (v) Reference Dealer(s): [ ]/[Not Applicable]
  - (vi) Reference Quotation Time: [ ]
  - (vii) If redeemable in part: [Applicable]/[Not Applicable]
  - (viii) Notice period (if other than as set out in the Manafae Series Conditions): [ ]/[Not Applicable]
17. Optional Dissolution Right (Put Option) [Applicable]/[Not Applicable]
- (i) Optional Dissolution Put Date (or Optional Dissolution Partial Put Date): [ ]
  - (ii) Optional Dissolution Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
  - (iii) Notice period (if other than as set out in the Manafae Series Conditions): [ ]/[Not Applicable]
18. Change of Control Put Option: [Applicable]/[Not Applicable]
- (i) Change of Control Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
19. Final Dissolution Amount: [Final Dissolution Amount]/[[ ] per Calculation Amount]
20. Tax Redemption Amount (following early dissolution for tax reasons): [Final Dissolution Amount/[ ] per Calculation Amount]

**GENERAL PROVISIONS APPLICABLE TO THE MANAFAE SERIES CERTIFICATES**

21. Form of Manafae Series Certificates: Registered Certificates:
- [Unrestricted Global Certificate [(U.S.\$[ ] face amount)] registered in the name of a nominee for [[DTC]/[a common depository for Euroclear and Clearstream, Luxembourg]]]
- [Restricted Global Certificate [(U.S.\$[ ] face amount)] registered in the name of a nominee for [[DTC]/[a common depository for Euroclear and Clearstream, Luxembourg]]]
- [Reg. S Compliance Category 2][:][ Rule 144A]
22. Additional Financial Centre(s) or other special provisions relating to payment dates: [ ]/[Not Applicable]

**SIGNED** on behalf of DP World Crescent Limited:

By: .....  
Duly authorised

**SIGNED** on behalf of DP World PLC:

By: .....  
Duly authorised

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing and admission to trading: Application [will be/has been/is expected to be] made by the Trustee (or on its behalf) for the Manafae Series Certificates to be admitted to trading on the London Stock Exchange's regulated market and to the official list of the FCA with effect from [the Issue Date/[ ]]
- [Application [will be/has been/is expected to be] made by the Trustee (or on its behalf) for the Manafae Series Certificates to be admitted to trading on Nasdaq Dubai and to the official list of securities maintained by the Dubai Financial Services Authority with effect from [the Issue Date/[ ]]]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

- Ratings: [The Manafae Series Certificates to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Manafae Series Certificates of this type issued under the Programme generally]:
- [Standard & Poor's: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [Other: [ ]]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Trustee and the Company are aware, no person involved in the issue of the Manafae Series Certificates has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Company and its affiliates in the ordinary course of business for which they may receive fees]/[Not Applicable]

### 4. USE OF PROCEEDS

[General corporate purposes]/[ ]

### 5. YIELD

[ ] per cent. per annum [on a [quarterly]/[[semi-] annual] basis]. The indication of profit or return is calculated at the Issue Date on the basis of the Issue Price and may not be an indication of future profit or return]

### 6. OPERATION INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CUSIP: [ ]

- (iv) CINS: [ ]
- (v) Any other security identification code(s): CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[ ]/[Not [Applicable/Available]]
- FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[ ]/[Not [Applicable/Available]]
- [ ]
- (vi) Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [ ]/[Not Applicable]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (ix) Name and address of Registrar(s): [ ]

7. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated]/[Non-syndicated]
- (ii) If syndicated, names of Managers: [ ]/[Not Applicable]
- (iii) Stabilisation Manager(s): [ ]/[Not Applicable]
- (iv) If non-syndicated, name of Dealer: [ ]/[Not Applicable]
- (v) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]

8. **THIRD PARTY INFORMATION**

[[ ] has been extracted from [ ]. The Trustee and the Company confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ] no facts have been omitted which would render the reproduced information inaccurate or misleading]/[Not Applicable]

## FORM OF PRICING SUPPLEMENT FOR THE WAKALA SERIES CERTIFICATES

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – *[include appropriate legend if relevant].*]

[MIFID II PRODUCT GOVERNANCE – *[appropriate target market legend to be included].*]

[SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Wakala Series 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).]

### Pricing Supplement dated [ ]

No base prospectus is required to be produced in accordance with Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") for the issue of Non-PR Certificates described below and, accordingly, the Non-PR Certificates issued as described below are not required to, and do not comply with, the Prospectus Regulation. The Non-PR Certificates do not form part of the Base Prospectus for the purposes of the Prospectus Regulation and the FCA has neither approved nor reviewed the information contained in this Pricing Supplement.

### DP World Crescent Limited

**Legal Entity Identifier (LEI): 21380096JRTWB8TL9236**

**Issue of [Title of Wakala Series Certificates]**

**under the U.S.\$5,000,000,000  
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 Wakala Series Certificates*" (the "**Wakala Series Conditions**") set forth in the base prospectus dated 2 September 2019 (the "**Base Prospectus**") [and the supplement(s) to it dated [ ]]. This document constitutes the Pricing Supplement relating to the issue of Non-PR Certificates described herein and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all relevant information. The Base Prospectus [and the supplement(s) to it dated [ ]] [is] [are] available for viewing at the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and on the Dubai Financial Service Authority's website (<https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents>) and, upon reasonable notice being given and during usual business hours, at the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and at the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

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

Terms used herein shall be deemed to be defined as such for the purposes of the "*Terms and Conditions of the Wakala Series Certificates*" (the "**Wakala Series Conditions**") contained in the Master Declaration of Trust dated [ ] and set forth in the base prospectus dated [ ] [and the supplement(s) to it dated [ ]] which are incorporated by reference into the base prospectus dated 2 September 2019 (the "**Base Prospectus**"). This document constitutes the Pricing Supplement relating to the issue of Non-PR Certificates described herein and must be read in conjunction with the Base Prospectus dated 2 September 2019 [and the supplement(s) to it dated [ ]] in order to obtain all relevant information, save in respect of the Wakala Series Conditions. The Base Prospectus [and the supplement(s) to it] [is] [are] available for viewing at the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and on the Dubai Financial Service Authority's website (<https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents>) and, upon reasonable notice



being given and during usual business hours, at the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and at the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]*

1. (i) Trustee: DP World Crescent Limited
- (ii) Obligor: DP World PLC
2. (i) Series number: [ ]
- [(ii) Tranche number: [ ]]
- [(iii) Date on which the Wakala Series Certificates will be consolidated and form a single Series: [ ]]
3. Specified Currency or Currencies: [ ]
4. Aggregate face amount of the Wakala Series Certificates:
  - (i) Series: [ ]
  - [(ii) Tranche: [ ]]
5. Issue Price: [ ] per cent. of the aggregate face amount
6. (i) Specified Denominations: [ ] [and integral multiples of [ ] in excess thereof]
- (ii) Calculation Amount: [ ]
7. (i) Issue Date: [ ]
- (ii) Return Accumulation Commencement Date: [ ]/Issue Date
8. Scheduled Dissolution Date: [ ]
9. Profit Basis: [[ ] per cent. Fixed Periodic Distribution Amount]
- [ [ ] +/- [ ] per cent. Floating Periodic Distribution Amount]
10. Dissolution Basis: Dissolution at par
11. Put/Call Options: [Optional Dissolution Right (Call Option)]
- Make Whole Dissolution Right (Call Option)
- [Optional Dissolution Right (Put Option)]
- [Change of Control Put Option]
- [Not Applicable]
12. (i) Status of the Wakala Series Certificates: Senior

- (ii) Date [board] approval for issuance of Wakala Series Certificates obtained: [ ] in the case of the Trustee  
[ ] in the case of the Company

**PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS**

13. Fixed Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (i) Profit Rate: [ ] per cent. per annum payable [[annually]/[semi-annually]/[quarterly]/[monthly]/[ ]] in arrear on each Periodic Distribution Date
- (ii) Periodic Distribution Date(s): [ ] [and [ ]] in each year [up to and including the Scheduled Dissolution Date], commencing on [[the Issue Date]/[ ]]
- (iii) Fixed Amount[(s)]: [[ ] per Calculation Amount]/[Not Applicable]
- (iv) Broken Amount(s): [[ ] per Calculation Amount payable on the Periodic Distribution Date falling in/on [ ]]/[Not Applicable]
- (v) Day Count Fraction: [30/360]  
[30E/360]  
[30E/360 (ISDA)]  
[Actual/360]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]
- (vi) Determination Dates: [[ ] in each year]/[Not Applicable]
14. Floating Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (i) Specified Period: [ ][, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]/[, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]
- (ii) Specified Periodic Distribution Date(s): [ ] [and [ ]] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]/[not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]
- (iii) Specified Period Date: [ ], subject to adjustment in accordance with Wakala Series Condition 10(c)
- (iv) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]

- (v) Business Centre(s): [ ]/[Not Applicable]
- (vi) Manner in which the Profit Rate(s) and Specified Amount is/are to be determined: [ISDA Determination]/[Screen Rate Determination]
- (vii) Party responsible for calculating the Profit Rate(s) and Specified Amount (if not the Calculation Agent): [ ]
- (viii) ISDA Determination:
- (a) Floating Rate Option: [ ]
- (b) Designated Maturity: [ ]
- (c) Reset Date: [ ]
- (d) ISDA Definitions: [2000]
- (ix) Screen Rate Determination:
- (a) Reference Rate: [EURIBOR/LIBOR/LIBID/LIMEAN]
- [EURIBOR is provided by European Money Markets Institute. As at the date hereof, European Money Markets Institute appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended]
- [LIBOR is provided by ICE Benchmark Administration Limited. As at the date hereof, ICE Benchmark Administration Limited appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended]
- [[LIBID/LIMEAN] is provided by [ ]. As at the date hereof, [ ] [appears/does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**").] / [As far as the Trustee and Company are aware, as at the date hereof, [LIBID/LIMEAN] does not fall within the scope of the Benchmarks Regulation]/[As far as the Trustee and Company are aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [ ] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]
- (b) Periodic Distribution Determination Date: [ ]
- (c) Relevant Screen Page: [ ]

- (x) Linear Interpolation: [Applicable – the Profit Rate for the [long/short] [first/last] Specified Period shall be calculated using Linear Interpolation]/[Not Applicable]
- (xi) Margin(s): [+/-][ ] per cent. per annum
- (xii) Minimum Profit Rate: [ ] per cent. per annum
- (xiii) Maximum Profit Rate: [ ] per cent. per annum
- (xiv) Day Count Fraction: [30/360]  
[30E/360]  
[30E/360 (ISDA)]  
[Actual/360]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/Actual or Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]

**PROVISIONS RELATING TO DISSOLUTION**

- 15. Optional Dissolution Right (Call Option): [Applicable]/[Not Applicable]
  - (i) Optional Dissolution Call Date [ ] (or Optional Dissolution Partial Call Date):
  - (ii) Optional Dissolution Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
  - (iii) If redeemable in part: [Applicable]/[Not Applicable]
    - (a) Minimum Dissolution Amount: [[ ] per Calculation Amount]/[Not Applicable]
    - (b) Maximum Dissolution Amount: [[ ] per Calculation Amount]/[Not Applicable]
  - (iv) Notice period (if other than as set out in the Wakala Series Conditions): [ ]/[Not Applicable]
- 16. Make Whole Dissolution Right (Call Option): [Applicable]/[Not Applicable]
  - (i) Make Whole Trigger Date: [ ]
  - (ii) Benchmark Security: [United States Treasury security]/[ ]
  - (iii) Make Whole Redemption Rate: [Rate per annum equal to the [semi-]annual equivalent yield to maturity of the applicable Comparable Security, assuming a price for such Comparable Security (expressed as a percentage of its principal amount) equal

- to the applicable Comparable Security Price for such redemption date)/[ ]
- (iv) Make Whole Redemption Margin: [ ] per cent.
  - (v) Reference Dealer(s): [ ]/[Not Applicable]
  - (vi) Reference Quotation Time: [ ]
  - (vii) If redeemable in part: [Applicable]/[Not Applicable]
  - (viii) Notice period (if other than as set out in the Wakala Series Conditions): [ ]/[Not Applicable]
17. Optional Dissolution Right (Put Option) [Applicable]/[Not Applicable]
- (i) Optional Dissolution Put Date (or Optional Dissolution Partial Put Date): [ ]
  - (ii) Optional Dissolution Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
  - (iii) Notice period (if other than as set out in the Wakala Series Conditions): [ ]/[Not Applicable]
18. Change of Control Put Option: [Applicable]/[Not Applicable]
- (i) Change of Control Amount: [Partial Dissolution Amount]/[[ ] per Calculation Amount]
19. Final Dissolution Amount: [Final Dissolution Amount]/[[ ] per Calculation Amount]
20. Tax Redemption Amount (following early dissolution for tax reasons): [Final Dissolution Amount/[ ] per Calculation Amount]

**GENERAL PROVISIONS APPLICABLE TO THE WAKALA SERIES CERTIFICATES**

- 21. (i) Tangible Asset Percentage: [ ] per cent.
  - (ii) Murabaha Percentage: [ ] per cent.
22. Form of Wakala Series Certificates: Registered Certificates:
- [Restricted Global Certificate [(U.S.\$[ ] face amount)] registered in the name of a nominee for [[DTC]/[a common depository for Euroclear and Clearstream, Luxembourg]]]
- [Unrestricted Global Certificate [(U.S.\$[ ] face amount)] registered in the name of a nominee for [[DTC]/[a common depository for Euroclear and Clearstream, Luxembourg]]]
- [Reg. S Compliance Category 2][:][Rule 144A]

23. Additional Financial Centre(s) or other [ ]/[Not Applicable]  
special provisions relating to payment  
dates:

**SIGNED** on behalf of DP World Crescent Limited:

By: .....

Duly authorised

**SIGNED** on behalf of DP World PLC:

By: .....

Duly authorised

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing and admission to trading: Application [will be/has been/is expected to be] made by the Trustee (or on its behalf) for the Wakala Series Certificates to be admitted to trading on the London Stock Exchange's regulated market and to the official list of the FCA with effect from [the Issue Date/[ ]]
- [Application [will be/has been/is expected to be] made by the Trustee (or on its behalf) for the Wakala Series Certificates to be admitted to trading on Nasdaq Dubai and to the official list of securities maintained by the Dubai Financial Services Authority with effect from [the Issue Date/[ ]]]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

- Ratings: [The Wakala Series Certificates to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Wakala Series Certificates of this type issued under the Programme generally]:
- [Standard & Poor's: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [Other: [ ]]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Trustee and the Company are aware, no person involved in the issue of the Wakala Series Certificates has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Company and its affiliates in the ordinary course of business for which they may receive fees]/[Not Applicable]

### 4. USE OF PROCEEDS

[General corporate purposes]/[ ]

### 5. YIELD

[ ] per cent. per annum [on a [quarterly]/[[semi-] annual] basis]. The indication of profit or return is calculated at the Issue Date on the basis of the Issue Price and may not be an indication of future profit or return]

### 6. OPERATION INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CUSIP: [ ]

- (iv) CINS: [ ]
- (v) Any other security identification code(s): CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[ ]/[Not [Applicable/Available]]
- FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[ ]/[Not [Applicable/Available]]
- [ ]
- (vi) Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [ ]/[Not Applicable]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (ix) Name and address of Registrar(s): [ ]

7. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated]/[Non-syndicated]
- (ii) If syndicated, names of Managers: [ ]/[Not Applicable]
- (iii) Stabilisation Manager(s): [ ]/[Not Applicable]
- (iv) If non-syndicated, name of Dealer: [ ]/[Not Applicable]
- (v) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]

8. **THIRD PARTY INFORMATION**

[[ ] has been extracted from [ ]. The Trustee and the Company confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ] no facts have been omitted which would render the reproduced information inaccurate or misleading]/[Not Applicable]



## TERMS AND CONDITIONS OF THE MANAFAE SERIES CERTIFICATES

*The following is the text of the terms and conditions of the Manafae Series Certificates (the "**Manafae Series Conditions**") that, subject to completion and as supplemented in accordance with the provisions of Part A of the applicable Final Terms (or, in the case of Non-PR Certificates, the applicable Pricing Supplement (each as defined below)) and, save for the text in italics, shall be applicable to the Definitive Manafae Series Certificates (if any) issued in exchange for the Global Manafae Series Certificate representing each Manafae Series. Either: (i) the full text of these Manafae Series Conditions together with the relevant provisions of Part A of the Final Terms (or, in the case of Non-PR Certificates, the applicable Pricing Supplement); or (ii) these Manafae Series Conditions as so completed or supplemented (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on or attached to such Global Manafae Series Certificate and Definitive Manafae Series Certificates. All capitalised terms that are not defined in these Manafae Series Conditions will have the meanings given to them in Part A of the applicable Final Terms (or, in the case of Non-PR Certificates, the applicable Pricing Supplement). Those definitions will be endorsed on or attached to such Global Manafae Series Certificate and Definitive Manafae Series Certificates, as the case may be. References in these Manafae Series Conditions to "**Manafae Series Certificates**" are to the Manafae Series Certificates of one Manafae Series only, not to all Manafae Series Certificates that may be issued under the Programme. For so long as the Manafae Series Certificates are represented by Global Manafae Series Certificates, these Manafae Series Conditions shall be as modified by the terms of the relevant Global Manafae Series Certificate (see further "Form of the Certificates").*

*In the case of a Manafae Tranche which will not be admitted to listing, trading on a regulated market for the purposes of Directive 2014/65/EU, as amended ("**MiFID II**") in the European Economic Area and/or quotation by any competent authority, stock exchange and/or quotation system or will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Trustee, the Company and the relevant Dealer ("**Non-PR Certificates**") and, accordingly, no base prospectus will be required to be produced in accordance with Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), a pricing supplement (a "**Pricing Supplement**") will be issued describing the final terms of such Manafae Tranche of Non-PR Certificates.*

DP World Crescent Limited (in its capacity as issuer and as trustee, the "**Trustee**") has established a trust certificate issuance programme (the "**Programme**") for the issuance of up to U.S.\$5,000,000,000 (or its equivalent in other currencies) in aggregate face amount of trust certificates outstanding at any time (the "**Certificates**"). The Certificates issued under the Programme are issued in manafae series (the "**Manafae Series**") or wakala series (the "**Wakala Series**" and, together with the Manafae Series, the "**Series**").

Each Manafae Series may be issued in tranches (each, a "**Manafae Tranche**") on the same or different issue dates.

The final terms for a Manafae Series Certificate (or the relevant provisions thereof) are set out in Part A of the applicable Final Terms (or, in the case of Non-PR Certificates, Part A of the applicable Pricing Supplement) attached to the relevant Supplemental Declaration of Trust (as defined below) and incorporated or endorsed on a Manafae Series Certificate which supplement these terms and conditions (the "**Manafae Series Conditions**"). References in these Manafae Series Conditions to the "**applicable Final Terms**" or "**applicable Pricing Supplement**", as the case may be, are to the final terms (or the relevant provisions thereof) attached to the relevant Supplemental Declaration of Trust and incorporated or endorsed on each Manafae Series Certificate.

The Manafae Series Certificates of each Manafae Series shall form a separate series and these Manafae Series Conditions shall apply *mutatis mutandis* separately and independently to the Manafae Series Certificates of each Manafae Series and, in these Manafae Series Conditions, the expressions "**Manafae Series Certificates**", "**Manafae Series Certificateholders**" and related expressions shall be construed accordingly.

In these Manafae Series Conditions, references to "**Manafae Series Certificates**" shall be references to the Manafae Series Certificates (whether in global form as a Restricted Global Certificate (as defined herein) and/or an Unrestricted Global Certificate (as defined herein), as the context may require (each a "**Global Manafae Series Certificate**") or in definitive form as definitive Manafae Series Certificates (each a "**Definitive Manafae Series Certificate**")) which are the subject of the applicable Final Terms (or Pricing Supplement, as applicable).

Each Manafae Series Certificate will represent an undivided ownership interest in the relevant Manafae Series Trust Assets (as defined below) held on trust by the Trustee (the "**Manafae Series Trust**") for the holders of such Manafae Series Certificates pursuant to: (i) a master declaration of trust (the "**Master Declaration of Trust**") dated 2 September 2019 and entered into by the Trustee, DP World PLC (the "**Company**") and Deutsche Trustee Company Limited in its capacity as delegate (the "**Delegate**"); and (ii) a supplemental declaration of trust in respect of the relevant Manafae Tranche to be entered into by the same parties (the "**Supplemental Declaration of Trust**", and together with the Master Declaration of Trust, the "**Declaration of Trust**").

These Manafae Series Conditions include summaries of, and are subject to, the detailed provisions of the relevant Declaration of Trust and the other Manafae Series Transaction Documents (as defined below). Payments relating to the Manafae Series Certificates will be made pursuant to an agency agreement dated 2 September 2019 (the "**Agency Agreement**") made between, *inter alios*, the Trustee, the Company, the Delegate, Deutsche Bank AG, London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Exchange Agents**" (which expression shall include the Issuing and Paying Agent), the "**Euro Registrar**" and the "**U.S. Registrar**" (together, the "**Registrars**" and each a "**Registrar**"), the "**Transfer Agents**" (which expression shall include the Registrars) and the "**Calculation Agent(s)**". The Issuing and Paying Agents, the Paying Agents, the Exchange Agents, the Registrars, the Transfer Agents and the Calculation Agents are together referred to as the "**Agents**". References to the Agents or any of them shall include their successors.

References herein to "**Issuing and Paying Agent**", "**Calculation Agent**" and "**Registrar**" shall be deemed to be respectively to the Issuing and Paying Agent, Calculation Agent and the Registrars so appointed and references to any Paying Agent shall be to the Issuing and Paying Agent. Any additional Paying Agents and the relevant Calculation Agent and the Registrars will be specified in the applicable Final Terms (or Pricing Supplement, as applicable).

The Manafae Series Certificateholders of a Manafae Series are entitled to the benefit of, are bound by, and are deemed to have notice of the following documents as each may be amended and restated and/or supplemented from time to time, copies of which are available for inspection upon reasonable notice being given and during usual business hours at the registered office of the Trustee (presently at Conyers Trust Company (Cayman) Limited, P.O. Box 2681, Cricket Square, Hutchins Drive, Grand Cayman, KY1-1111, Cayman Islands) and at the specified offices of the Paying Agents:

- (a) a master purchase of services agreement between the Trustee (in its capacity as purchaser) and the Company (in its capacity as seller) dated on or about the date of this Base Prospectus (the "**Manafae Series Master Purchase of Services Agreement**");
- (b) in respect of each Manafae Tranche, a supplemental purchase of services agreement between the Trustee (in its capacity as purchaser) and the Company (in its capacity as seller) entered into on the relevant Issue Date (the "**Manafae Series Supplemental Purchase of Services Agreement**" and together with the Manafae Series Master Purchase of Services Agreement, the "**Manafae Series Purchase of Services Agreement**");
- (c) a service agency agreement between the Trustee (in its capacity as Trustee) and the Company (in its capacity as distributor) dated on or about the date of this Base Prospectus (the "**Manafae Series Service Agency Agreement**") and, in respect of each Manafae Tranche, the relevant Manafae Series Services Plan (as defined in the Manafae Series Service Agency Agreement);
- (d) a purchase undertaking granted by the Company in favour of the Trustee and the Delegate dated on or about the date of this Base Prospectus (the "**Manafae Series Purchase Undertaking**") including the form of the Manafae Series Sale Agreement (as defined herein);
- (e) a sale undertaking granted by the Trustee in favour of the Company dated on or about the date of this Base Prospectus (the "**Manafae Series Sale Undertaking**") including the form of the Manafae Series Sale Agreement (as defined herein);
- (f) the Master Declaration of Trust;

- (g) in respect of each Manafae Tranche, the relevant Supplemental Declaration of Trust and the relevant Declaration of Commingling of Assets (if any);
- (h) the Agency Agreement; and
- (i) in respect of each Manafae Tranche, the applicable Final Terms (or Pricing Supplement, as applicable).

Each Manafae Series Certificateholder, by its acquisition and holding of Manafae Series Certificates, shall be deemed, in respect of each Manafae Series, to authorise and direct the Trustee on behalf of the Manafae Series Certificateholders: (1) to apply the proceeds of the issuance to purchase from the Company, pursuant to the terms of the relevant Manafae Series Purchase of Services Agreement, all of the Company's interests, rights, benefits and entitlements in, to and under the Throughput Services identified in the relevant Manafae Series Purchase of Services Agreement; (2) to supply to the Company such assets, pursuant to the terms of the Manafae Series Service Agency Agreement and relevant Manafae Series Services Plan for the relevant Manafae Tranche; and (3) to enter into each other Manafae Series Transaction Document to which it is a party, subject to the terms and conditions of the relevant Declaration of Trust and these Manafae Series Conditions.

## 1. INTERPRETATION

In these Manafae Series Conditions the following expressions have the following meanings:

**"Accountholder"** means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or DTC, as the case may be, as entitled to a particular face amount of the Manafae Series Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC as to the face amount of such Manafae Series Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error);

**"Adjustment Spread"** means either: (a) a spread (which may be positive, negative or zero); or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the relevant Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Trustee and the Company) determines is customarily applied to the Successor Rate or Alternative Reference Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Reference Rate; or
- (iii) if the Independent Adviser (in consultation with the Trustee and the Company) determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser (in consultation with the Trustee and the Company) in its discretion determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate where such rate has been replaced by the Successor Rate or Alternative Reference Rate (as applicable);

**"Alternative Reference Rate"** means the rate (and related alternative screen page or source, if available) that the Independent Adviser (in consultation with the Trustee and the Company) determines is customarily applied in international debt capital markets transactions for the purposes of determining Profit Rates (or the relevant component part thereof) in respect of Manafae Series Certificates denominated in the Specified Currency and of a comparable duration to the relevant Specified Period or, if the Independent Adviser (in consultation with the Trustee and the Company) determines that there is no such rate, such other rate as the Independent Adviser (in consultation with the Trustee and the Company) determines in its discretion is most comparable to the relevant Reference Rate;

**"Applicable Maturity"** means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate; and (b) in relation to ISDA Determination, the Designated Maturity;

**"Benchmark Event"** means:

- (a) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered or ceasing to be published for at least five Business Days;
- (b) a public statement by the administrator of the relevant Reference Rate that it has ceased or that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);
- (c) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued;
- (d) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which the relevant Reference Rate will be prohibited from being used generally, or in respect of the Manafae Series Certificates; or
- (e) it has become unlawful for the Calculation Agent, the Trustee or the Company to calculate any payments due to be made to any Manafae Series Certificateholder using the relevant Reference Rate,

provided that in the case of paragraphs (a) to (d) (inclusive) above, the Benchmark Event shall occur on the date of the cessation of publication of the relevant Reference Rate, the discontinuation of the relevant Reference Rate, or the prohibition of use of the relevant Reference Rate, as the case may be, and not the date of the relevant public statement;

**"Benchmark Security"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Broken Amount"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Business Day"** means: (a) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; (b) in the case of euro, a day on which the TARGET system is operating (a **"TARGET Business Day"**); and/or (c) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres;

**"Calculation Amount"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Capacity End Date"** means, in respect of a Manafae Series, in the event of a failure by the Company to pay the Relevant Amount to the Manafae Series Transaction Account on the Dissolution Event Redemption Date pursuant to the terms of the Manafae Series Service Agency Agreement, the date upon which no more Throughput Services remain for distribution and sale under the Manafae Series Service Agency Agreement;

**"Change of Control Amount"** means, in respect of each Manafae Series, unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable): (a) (where the Change of Control Put Option has been exercised in respect of some (but not all) of the Manafae Series Certificates of the relevant Manafae Series) the Partial Dissolution Amount; or (b) (where the Change of Control Put Option has been exercised in respect of all of the Manafae Series Certificates of the relevant Manafae Series) the Final Dissolution Amount;

"**Change of Control Event**" will occur if at any time the Government of Dubai ceases to own, directly or indirectly, at least 50 per cent. of the issued share capital of the Company or otherwise ceases to control, directly or indirectly, the Company. For the purpose of this Manafae Series Condition, the Government of Dubai will be deemed to "**control**" the Company if (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) it has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of the Company or otherwise controls, or has the power to control, the affairs and policies of the Company;

"**Change of Control Full Put Date**" has the meaning given to it in Manafae Series Condition 11(e)(ii) (*Capital Distribution of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*);

"**Change of Control Put Option**" means the put option described in Manafae Series Condition 11(e)(ii) (*Capital Distribution of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*);

"**Change of Control Put Option Date**" means, in respect of any Change of Control Put Period, the date which falls 14 days after the date on which the relevant holder exercises its option in accordance with Manafae Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*);

"**Change of Control Put Period**" means, in relation to any Change of Control Event, the period from and including the date on which a Change of Control Notice is given to and including the date falling 60 days after the date on which any such notice is given;

"**Clearstream, Luxembourg**" has the meaning given to it in Manafae Series Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

"**Comparable Security**" means the Benchmark Security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the Manafae Series Certificates to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Manafae Series Certificates;

"**Comparable Security Price**" means: (a) if the Independent Investment Banker obtains four or more Reference Dealer Quotations, the average of such Reference Dealer Quotations after excluding the highest and lowest of such Reference Dealer Quotations; (b) if the Independent Investment Banker obtains less than four but more than one Reference Dealer Quotations, the average of such Reference Dealer Quotations; or (c) if the Independent Investment Banker obtains one Reference Dealer Quotation, such Reference Dealer Quotation;

"**Corporate Services Agreement**" means the corporate services agreement dated 14 April 2016 entered into between the Trustee and the Trustee Administrator;

"**Day Count Fraction**" means, in respect of the calculation of any Periodic Distribution Amount on any Manafae Series Certificate for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Specified Period or Return Accumulation Period, the "**Calculation Period**"):

- (a) if "**30/360**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (b) if "30E/360" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (c) if "30E/360 (ISDA)" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless: (1) that day is the last day of February; or (2) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless: (1) that day is the last day of February but not the Scheduled Dissolution Date; or (2) such number would be 31, in which case D2 will be 30;

- (d) if "**Actual/360**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the actual number of days in the Calculation Period divided by 360;
- (e) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the actual number of days in the Calculation Period divided by 365;
- (f) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the actual number of days in the Calculation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;
- (g) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of: (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365); and
- (h) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable):
  - (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of: (1) the number of days in such Determination Period, and (2) the number of Determination Periods normally ending in any year; and
  - (ii) if the Calculation Period is longer than one Determination Period, the sum of:
    - (1) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of: (x) the number of days in such Determination Period, and (y) the number of Determination Periods normally ending in any year; and
    - (2) the number of days in such Calculation 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 Periods normally ending in any year;

"**Delegation**" has the meaning given to it in Manafae Series Condition 21 (*The Delegate*);

"**Determination Date**" means the date(s) specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) or, if none is so specified, the Periodic Distribution Date(s);

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date;

"**Dispute**" has the meaning given to it in Manafae Series Condition 23 (*Governing Law and Dispute Resolution*);

"**Dissolution Amount**" means the Final Dissolution Amount and the Tax Redemption Amount;

"**Dissolution Date**" means, in respect of each Manafae Series, as the case may be:

- (i) the Scheduled Dissolution Date;

- (ii) the Tax Redemption Date;
- (iii) the Optional Dissolution Call Date;
- (iv) the Optional Dissolution Put Date;
- (v) the Change of Control Full Put Date;
- (vi) the date on which all of the Manafae Series Certificates outstanding are cancelled following the purchase of such Manafae Series Certificates by or on behalf of the Company and or any of its Subsidiaries pursuant to Manafae Series Condition 14(a) (*Purchase and Cancellation of Certificates – Purchases*); and
- (vii) the Dissolution Event Redemption Date;

**"Dissolution Event"** has the meaning given to it in Manafae Series Condition 15 (*Dissolution Events*);

**"Dissolution Event Redemption Date"** has the meaning given to it in Manafae Series Condition 15 (*Dissolution Events*);

**"Dissolution Request"** has the meaning given to it in Manafae Series Condition 15 (*Dissolution Events*);

**"DP World Event"** has the meaning given to it in Manafae Series Condition 15 (*Dissolution Events*);

**"DTC"** has the meaning given to it in Manafae Series Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

**"EBITDA"** means, in respect of any period, profit in respect of such period, plus: (i) finance costs (net of interest income); (ii) income tax (if any); and (iii) depreciation and amortisation, less (iv) the fixed component of any liability under a concession agreement or other operating lease required to be treated as a finance lease by the Group under IFRS 16 – Leases, in each case in respect of such period and at any time; (a) in relation to the Company, shall be calculated by reference to the relevant amounts shown in the then latest audited consolidated financial statements of the Company; and (b) in relation to any Subsidiary, shall be calculated by reference to the relevant amounts (consolidated in the case of a Subsidiary which itself has subsidiaries) shown in the then latest financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary;

**"EURIBOR"** means the Euro Interbank Offered Rate;

**"Euroclear"** has the meaning given to it in Manafae Series Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

**"Eurozone"** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

**"Extraordinary Resolution"** has the meaning given to it in schedule 3 (*Provisions for Meetings of Certificateholders*) to the Master Declaration of Trust;

**"Final Dissolution Amount"** means, in respect of redemption of all Manafae Series Certificates outstanding of a Manafae Series (except pursuant to Manafae Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*)), in respect of each such Manafae Series Certificate being redeemed, unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable), the sum of:

- (i) the outstanding face amount of such Manafae Series Certificate; and
- (ii) any accrued but unpaid Periodic Distribution Amounts for such Manafae Series Certificate to but excluding the relevant Dissolution Date,



and, in respect of redemption of all Manafae Series Certificates outstanding of a Manafae Series pursuant to Manafae Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*), means the Make Whole Amount for such Manafae Series Certificates;

"**Fixed Amount**" has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

"**FSMA**" means the Financial Services and Markets Act 2000, as amended;

"**Group**" means the Company and its consolidated subsidiaries taken as a whole;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Company at its own expense under Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*);

"**Independent Investment Banker**" means one of the Reference Dealers appointed by the Trustee and the Company to act in such capacity;

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable);

"**Issue Date**" has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

"**Issue Price**" has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

"**Liability**" means, in respect of any person, any actual loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability whatsoever and including any value added tax or similar tax charged or chargeable in respect of any sums referred to in this definition and legal or other fees and expenses on a full indemnity basis and references to "**Liabilities**" shall mean all of these;

"**LIBID**" means the London Interbank Bid Rate;

"**LIBOR**" means the London Interbank Offered Rate;

"**LIMEAN**" means the London Interbank Mean Rate, which is a mid-market rate calculated by averaging the LIBOR and the LIBID;

"**Make Whole Amount**" means the amount specified as such in the relevant Make Whole Notice, being an amount equal to the greater of the following amounts:

- (i) 100 per cent. of the face amount of the Manafae Series Certificates being redeemed on the relevant Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable; and
- (ii) the sum of the present values of the remaining scheduled payments of principal and profit on the Manafae Series Certificates being redeemed on the relevant Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable (not including the amount, if any, of accrued and unpaid profit to, but excluding, such Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable) discounted to the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, at the Make Whole Redemption Rate (as determined by the Independent Investment Banker), plus the Make Whole Redemption Margin,

plus, in each case, accrued and unpaid profit on the Manafae Series Certificates being redeemed to, but excluding, the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable;

**"Make Whole Dissolution Right (Call Option)"** means the right specified in Manafae Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*);

**"Make Whole Trigger Date"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Manafae Series Certificateholder"** means a person in whose name a Manafae Series Certificate is registered in the relevant Register (or in the case of joint holders, the first named thereof) save that, for so long as the Manafae Series Certificates of any Manafae Tranche are represented by a Global Manafae Series Certificate, each Accountholder shall be deemed to be the Manafae Series Certificateholder in respect of the aggregate face amount of such Manafae Series Certificates standing to its account in the records of Euroclear or Clearstream, Luxembourg in the case of the Unrestricted Global Certificate or DTC in the case of a Restricted Global Certificate, as the case may be, for the purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Trustee, solely in the registered holder of such Global Manafae Series Certificates in accordance with and subject to the terms of the relevant Declaration of Trust and such Global Manafae Series Certificates, and the expressions **"holder"**, **"Manafae Series Certificateholder"** and **"holder of Manafae Series Certificates"** and related expressions shall (where appropriate) be construed accordingly;

**"Manafae Series Exercise Notice"** means (as the context requires) an exercise notice delivered or to be delivered in connection with the Manafae Series Purchase Undertaking or Manafae Series Sale Undertaking;

**"Manafae Series Exercise Price"** means, as the context may require, the Exercise Price, the Sale Exercise Price, the Change of Control Exercise Price, the Optional Dissolution (Put Option) Exercise Price or the Further Exercise Price payable following due exercise of the Manafae Series Purchase Undertaking (and as defined therein) or the Exercise Price, Optional Dissolution (Call Option) Exercise Price or Optional Dissolution (Make Whole Call Option) Exercise Price payable following due exercise of the Manafae Series Sale Undertaking (and as defined therein) and, in each case, the amount as specified in the relevant Manafae Series Exercise Notice delivered pursuant to the Manafae Series Purchase Undertaking or Manafae Series Sale Undertaking (as applicable);

**"Manafae Series Sale Agreement"** means any sale agreement entered into in connection with the Manafae Series Purchase Undertaking or, as the case may be, any sale or transfer agreement entered into in connection with the Manafae Series Sale Undertaking;

**"Manafae Series Service Agent"** means the Company in its capacity as distributor under the Manafae Series Service Agency Agreement;

**"Manafae Series Transaction Account"** means, in respect of each Manafae Series, an account in the name of the Trustee, opened with the Issuing and Paying Agent in London, into which amounts due and payable to the Trustee under the relevant Manafae Series Transaction Documents are payable;

**"Manafae Series Transaction Documents"** means, in relation to each Manafae Series, the Declaration of Trust, the Declaration of Commingling of Assets, the Agency Agreement, the Manafae Series Purchase of Services Agreement, the Manafae Series Service Agency Agreement (including the relevant Manafae Series Services Plan), the Manafae Series Purchase Undertaking, the Manafae Series Sale Undertaking and any Manafae Series Sale Agreement;

**"Manafae Series Trust Assets"** has the meaning given to it in Manafae Series Condition 6(a) (*Trust – Trust Assets*);

**"Material Subsidiary"** means any Subsidiary:

- (i) whose EBITDA (consolidated in the case of a Subsidiary which itself has subsidiaries) or whose Total Assets (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 10 per cent. of the consolidated EBITDA of the Company, or, as the case may be, the consolidated Total Assets of the Company, as the case may be; and/or

- (ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon: (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary; and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant audited financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of paragraph (i) above,

provided that if any acquisition or disposal has occurred after the end of the financial period to which the then latest audited consolidated financial statements of the Company relate, in applying each of the above tests the reference in the relevant defined terms to the latest audited consolidated financial statements shall be deemed to be a reference to such audited consolidated financial statements as if the relevant acquisition or disposal had been reflected in such audited consolidated financial statements by reference (where applicable) to any relevant Subsidiary's then latest relevant financial statements (consolidated in the case of a Subsidiary which itself has subsidiaries), adjusted as set out in the immediately following paragraph. A report by two duly authorised officers of the Company, that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Company, the Trustee, the Delegate and the Manafae Series Certificateholders;

**"Optional Dissolution Amount"** means, in respect of each Manafae Series Certificate of a Manafae Series, unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable), the Partial Dissolution Amount;

**"Optional Dissolution Call Date"** means, in respect of each Manafae Series, the date specified in the notice delivered by the Company to the Trustee: (i) in accordance with Manafae Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*) in connection with the exercise of the Optional Dissolution Right (Call Option) in whole (being the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable)); or (ii) in accordance with Manafae Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*) in connection with the exercise of the Make Whole Dissolution Right (Call Option) in whole;

**"Optional Dissolution Partial Call Date"** means, in respect of each Manafae Series, the date specified in the notice delivered by the Company to the Trustee: (i) in accordance with Manafae Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*) in connection with the exercise of the Optional Dissolution Right (Call Option) in part (being the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable)); or (ii) in accordance with Manafae Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*) in connection with the exercise of the Make Whole Dissolution Right (Call Option) in part;

**"Optional Dissolution Partial Put Date"** means, in respect of each Manafae Series, the date specified in the notice delivered to the Trustee in accordance with Manafae Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) in connection with the exercise of the Optional Dissolution Right (Put Option) in part (being the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable));

**"Optional Dissolution Put Date"** has the meaning given to it in Manafae Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) (being the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable));

**"Optional Dissolution Right (Call Option)"** means the right specified in Manafae Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*);

**"Optional Dissolution Right (Put Option)"** means the right specified in Manafae Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*);

**"Partial Dissolution Amount"** means, in respect of redemption of some but not all Manafae Series Certificates outstanding of a Manafae Series (except pursuant to Manafae Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*)), in respect of each such Manafae Series Certificate being redeemed, unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable), the sum of:

- (i) the outstanding face amount of such Manafae Series Certificate; and
- (ii) any accrued but unpaid Periodic Distribution Amounts for such Manafae Series Certificate to but excluding the relevant Partial Dissolution Date,

and, in respect of redemption of some but not all Manafae Series Certificates outstanding of a Manafae Series pursuant to Manafae Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*), means the Make Whole Amount for such Manafae Series Certificates;

**"Partial Dissolution Date"** means, in the case of each Manafae Series, as the case may be:

- (i) Optional Dissolution Partial Call Date;
- (ii) Optional Dissolution Partial Put Date; and
- (iii) Change of Control Put Option Date;

**"Payment Business Day"** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in the relevant place of presentation, in such jurisdictions as shall be specified as Additional Financial Centres in the applicable Final Terms (or Pricing Supplement, as applicable) and:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a TARGET Business Day;

**"Periodic Distribution Amount"** has the meaning given to it in Manafae Series Condition 8 (*Fixed Periodic Distribution Provisions*) or Manafae Series Condition 9 (*Floating Periodic Distribution Provisions*), as applicable;

**"Periodic Distribution Date"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Periodic Distribution Determination Date"** means with respect to a Profit Rate and Return Accumulation Period, the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) or, if none is so specified: (i) the first day of such Return Accumulation Period if the Specified Currency is Sterling; or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Return Accumulation Period if the Specified Currency is neither Sterling nor euro; or (iii) the day falling two TARGET Business Days prior to the first day of such Return Accumulation Period if the Specified Currency is euro;

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

**"Potential Dissolution Event"** has the meaning given to it in the Master Declaration of Trust;

**"Proceedings"** has the meaning given to it in Manafae Series Condition 23 (*Governing Law and Dispute Resolution*);

**"Profit Rate"** means the profit rate payable from time to time in respect of the Manafae Series Certificates and that is either specified or calculated in accordance with the provisions specified in the applicable Final Terms (or Pricing Supplement, as applicable);

**"QIBs"** means qualified institutional buyers as defined in Rule 144A under the Securities Act;

**"QP"** means a qualified purchaser within the meaning of the United States Investment Company Act 1940, as amended;

**"Record Date"** has the meaning given to it in Manafae Series Condition 10(a)(iii) (*Payment – Payments in respect of Certificates*);

**"Reference Banks"** means, in the case of a determination of LIBOR, LIBID or LIMEAN, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market, in each case selected by the Trustee (failing whom, the Company);

**"Reference Dealer"** means the banks specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) (or, if any of their respective affiliates is a primary dealer in the Benchmark Security, such affiliate) and, if applicable, their respective successors;

**"Reference Dealer Quotation"** means, with respect to each Reference Dealer, the average of the bid and asked prices for the Comparable Security (expressed as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Dealer at the Reference Quotation Time;

**"Reference Quotation Time"** means the time specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) or, if no such time is specified, 5.00 p.m. on the day falling three Business Days prior to the Optional Dissolution Call Date or the Optional Dissolution Partial Call Date, as applicable;

**"Reference Rate"** means the rate specified as such in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Register"** has the meaning given to it in Manafae Series Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

**"Regulation S"** means Regulation S as defined in the Securities Act;

**"Relevant Date"** has the meaning given to it in Manafae Series Condition 12 (*Taxation*);

**"Relevant Jurisdiction"** has the meaning given to it in Manafae Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

**"Relevant Nominating Body"** means, in respect of a reference rate:

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

(e) the Financial Stability Board or any part thereof;

"**Relevant Powers**" has the meaning given to it in Manafae Series Condition 21 (*The Delegate*);

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable) (or any successor or replacement page, section, caption, column or other part of a particular information source);

"**Reserved Matter**" has the meaning given to it in schedule 3 (*Provisions for Meetings of Certificateholders*) of the Master Declaration of Trust;

"**Restricted Global Certificate**" means, in respect of a Manafae Series, the Manafae Series Certificates of such Manafae Series sold to QIBs who are also QPs in reliance on Rule 144A in registered form;

"**Return Accumulation Commencement Date**" means the Issue Date or such other date as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable);

"**Return Accumulation Period**" means the period beginning on (and including) the Return Accumulation Commencement Date and ending on (but excluding) the first Specified Period Date and each successive period beginning on (and including) a Specified Period Date and ending on (but excluding) the next succeeding Specified Period Date;

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

"**Rules**" has the meaning given to it in Manafae Series Condition 23 (*Governing Law and Dispute Resolution*);

"**Scheduled Dissolution Date**" means, in respect of each Manafae Series, the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable);

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

"**Security Interest**" has the meaning given to it in Manafae Series Condition 5 (*Negative Pledge*);

"**Specified Amount**" means: (i) in respect of a Return Accumulation Period, the amount of profit payable per Calculation Amount for that Return Accumulation Period and which, in the case of Manafae Series Certificates to which Fixed Periodic Distribution Provisions are applicable, and unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable), shall mean the Fixed Amount or Broken Amount specified in the applicable Final Terms (or Pricing Supplement, as applicable) as being payable on the Periodic Distribution Date ending the Specified Period of which such Return Accumulation Period forms part; and (ii) in respect of any other period, the amount of profit payable per Calculation Amount for that period;

"**Specified Currency**" means the currency specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) or, if none is specified, the currency in which the Manafae Series Certificates are denominated;

"**Specified Denomination(s)**" has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

"**Specified Period**" means the period beginning on (and including) the Return Accumulation Commencement Date and ending on (but excluding) the first Periodic Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date;

"**Specified Period Date**" means each Periodic Distribution Date unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable);

"**Subsidiary**" has the meaning given to it in Manafae Series Condition 5 (*Negative Pledge*);

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

**"TARGET system"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

**"Tax Event"** has the meaning given to it in Manafae Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

**"Tax Redemption Amount"** means, in respect of each Manafae Series Certificate of a Manafae Series, unless otherwise specified in the applicable Final Terms (or the Pricing Supplement, as applicable), the Final Dissolution Amount;

**"Tax Redemption Date"** means the date specified as such in the Manafae Series Exercise Notice delivered by the Company to the Trustee in accordance with in Manafae Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

**"Taxes"** has the meaning given to it in Manafae Series Condition 12 (*Taxation*);

**"Terms of Business"** means the terms and conditions of business applied by the Company from time to time to container handling generally and in accordance with its customary operating procedures;

**"TEUs"** has the meaning given to it in the Manafae Series Master Purchase of Services Agreement;

**"Throughput Services"** means certain throughput rights and services for container handling at various terminals owned or operated by the Company in the United Arab Emirates comprising the following:

- (i) lifting containers on and off vessels; and
- (ii) storing containers in the relevant Group terminals; and
- (iii) facilitating the delivery and receipt of containers,
- (iv) in each case, subject to and in accordance with the Company's Terms of Business (such rights and services being measured in TEUs);

**"Transaction Documents"** means the Manafae Series Transaction Documents and the Wakala Series Transaction Documents;

**"Trust Assets"** means the Manafae Series Trust Assets and the Wakala Series Trust Assets;

**"Trustee Administrator"** means Conyers Trust Company (Cayman) Limited;

**"Unrestricted Global Certificate"** means, in respect of a Manafae Series, the Manafae Series Certificates of such Manafae Series offered and sold in reliance on Regulation S, which will be sold to persons who are not U.S. persons outside the United States, in registered form;

**"Wakala Series Certificateholders"** has the meaning given to it in the Wakala Series Conditions;

**"Wakala Series Conditions"** means the terms and conditions of the trust certificates issued under the Programme in Wakala Series;

**"Wakala Series Transaction Documents"** has the meaning given to it in the Wakala Series Conditions; and

**"Wakala Series Trust Assets"** has the meaning given to it in the Wakala Series Conditions.

## 2. FORM, DENOMINATION AND TITLE

### (a) Form and Denomination

The Manafae Series Certificates are issued in registered form in the Specified Denomination(s) as specified in the applicable Final Terms (or Pricing Supplement, as applicable), provided that the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Manafae Series Certificates) and in case of any Manafae Series Certificates (including Manafae Series 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, the minimum specified denomination shall be £100,000 (or its equivalent in other currencies), unless otherwise permitted by then current law and regulations.

A Definitive Manafae Series Certificate will be issued to each Manafae Series Certificateholder in respect of its registered holding of Manafae Series Certificates. Each Definitive Manafae Series Certificate will be numbered serially with an identifying number which will be recorded on the relevant Definitive Manafae Series Certificate and in the relevant register of Manafae Series Certificateholders which the Trustee will cause to be kept by the relevant Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

*In respect of each Manafae Series, upon issue, Manafae Series Certificates will be represented by one or more Global Manafae Series Certificates in registered form, which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") in respect of an Unrestricted Global Certificate and/or The Depository Trust Company ("**DTC**") in respect of a Restricted Global Certificate. Manafae Series Certificates which are represented by a Global Manafae Series Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream Luxembourg and DTC, as the case may be.*

*References 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 (or Pricing Supplement, as applicable).*

### (b) Title

Title to the Manafae Series Certificates passes only by registration in the Register. Subject to the terms of any relevant Global Manafae Series Certificate and/or the definition of "Manafae Series Certificateholders", the registered holder of any Definitive Manafae Series Certificate will (except as otherwise required by law) be treated as the absolute owner of the Definitive Manafae Series Certificates represented by the Definitive Manafae Series Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Definitive Manafae Series Certificate) and no person will be liable for so treating the holder of any Definitive Manafae Series Certificate. The registered holder of a Definitive Manafae Series Certificate will be recognised by the Trustee as entitled to his Definitive Manafae Series Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Definitive Manafae Series Certificate.

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

*In determining whether a particular person is entitled to a particular face amount of Manafae Series Certificates as aforesaid, each of the Trustee and the Delegate may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.*

*Each holder must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for its share of each payment made to the registered holder of the Global Manafae Series Certificate.*

### 3. **TRANSFERS OF CERTIFICATES**

#### (a) **Transfers**

Subject to Manafae Series Condition 3(d) (*Transfers of Certificates – Closed Periods*), Manafae Series Condition 3(e) (*Transfers of Certificates – Regulations*), and the provisions of the Agency Agreement, a Definitive Manafae Series Certificate may be transferred in whole or in an amount equal to the Specified Denomination(s) or any integral multiple thereof by depositing the Definitive Manafae Series Certificate, with the form of transfer on the back, duly completed and signed, at the specified office of the Transfer Agent together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the individuals who have executed the forms of transfer.

*Transfers of interests in a Global Manafae Series Certificate will be effected by Euroclear or Clearstream, Luxembourg in the case of an Unrestricted Global Certificate or DTC in the case of a Restricted Global Certificate, as the case may be, 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 a Global Manafae Series Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Manafae Series Certificates only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg, or DTC as the case may be, and in accordance with the terms and conditions specified in the Master Declaration of Trust and the Agency Agreement.*

#### **Compulsory Sale**

*If at any time a holder of an interest in a Restricted Global Certificate is a U.S. person within the meaning of Regulation S that is not a QIB and a QP, the Trustee may: (i) compel such holder to sell its interest in such Restricted Global Certificate to a person who is: (1) a U.S. person who is a QIB and a QP that is, in each case, otherwise qualified to purchase the Manafae Series Certificates represented hereby in a transaction exempt from registration under the Securities Act; or (2) not a U.S. person within the meaning of Regulation S; or (ii) compel the holder to sell its interest in the Restricted Global Certificates to the Trustee or an affiliate of the Trustee or transfer its interest in such Restricted Global Certificates to a person designated by or acceptable to the Trustee at a price equal to the lesser of: (x) the purchase price paid by the holder, (y) 100 per cent. of the principal amount of the holder's interest in the Restricted Global Certificate, and (z)*

*the fair market value of such interest in the Restricted Global Certificate. The Trustee has the right to refuse to honour a transfer of an interest in the Restricted Global Certificates to a U.S. person who is not a QIB and a QP.*

(b) **Delivery of New Certificates**

Each new Definitive Manafae Series Certificate to be issued upon any transfer of Manafae Series Certificates will, within three business days of receipt by the Transfer Agent of the duly completed form of transfer endorsed on the relevant Manafae Series Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Definitive Manafae Series Certificate to the address specified in the form of transfer. For the purposes of this Manafae Series Condition 3(b) (*Transfers of Certificates – Delivery of New Certificates*), "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Manafae Series Certificate is deposited in connection with a transfer is located.

Where some but not all of the Manafae Series Certificates in respect of which a Definitive Manafae Series Certificate is issued are to be transferred, a new Definitive Manafae Series Certificate in respect of the Manafae Series Certificates not so transferred will, within five business days of receipt by the Transfer Agent of the original Definitive Manafae Series Certificate, be mailed by uninsured mail at the risk of the holder of the Manafae Series Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

*Except in the limited circumstances described in each Global Manafae Series Certificate, owners of interests in a Global Manafae Series Certificate will not be entitled to receive physical delivery of Manafae Series Certificates.*

(c) **Formalities Free of Charge**

Registration of any transfer of Manafae Series Certificates will be effected without charge on behalf of the Trustee by the Registrar or the Transfer Agent but upon payment (or the giving of such indemnity as the Trustee, Registrar or Transfer Agent may reasonably require) by the transferee in respect of any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

(d) **Closed Periods**

No Manafae Series Certificateholder may require the transfer of a Manafae Series Certificate to be registered during the period of 15 days ending on (and including) the due date for any payment of the Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount as specified in the applicable Final Terms (or Pricing Supplement, as applicable) or any other date on which payment of the face amount or payment of any profit in respect of a Manafae Series Certificate falls due as specified in the applicable Final Terms (or Pricing Supplement, as applicable).

(e) **Regulations**

All transfers of Manafae Series Certificates and entries on the Register will be made subject to the detailed regulations concerning transfers of Manafae Series 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 Manafae Series Certificateholder who requests in writing a copy of such regulations.

Unless otherwise requested by him, each Manafae Series Certificateholder shall be entitled to receive, in accordance with Manafae Series Condition 2(b) (*Form, Denomination and Title – Title*), only one Definitive Manafae Series Certificate in respect of his or her entire holding of Manafae Series Certificates. In the case of a transfer of a portion of the face amount of a Definitive Manafae Series Certificate, a new Definitive Manafae Series Certificate in respect of the balance of the Manafae Series Certificates not transferred will be issued to the transferor in accordance with Manafae Series Condition 3(b) (*Transfers of Certificates – Delivery of New Certificates*).

#### 4. STATUS AND LIMITED RECOURSE

##### (a) Status

Each Manafae Series Certificate will represent an undivided ownership interest in the relevant Manafae Series Trust Assets (pursuant to the relevant Declaration of Trust) and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Manafae Series Certificate will rank *pari passu*, without preference or priority, with all other Manafae Series Certificates of the relevant Manafae Series issued under the Programme.

The payment obligations of the Company (in any capacity) under the Manafae Series Transaction Documents shall, save for such exceptions as may be provided for by applicable legislation and subject to the negative pledge provisions in Manafae Series Condition 5 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated obligations of the Company, present and future.

##### (b) Limited Recourse

The proceeds of the relevant Manafae Series Trust Assets are the sole source of payments on the Manafae Series Certificates of each Manafae Series. The Manafae Series Certificates do not represent an interest in or obligation of any of the Trustee (other than in respect of the relevant Manafae Series Trust Assets), the Company (to the extent that it fulfils its obligations under the Manafae Series Transaction Documents to which it is a party), the Delegate or any of their respective affiliates. Accordingly, Manafae Series Certificateholders, by subscribing for or acquiring the Manafae Series Certificates, acknowledge that they will have no recourse to any assets of the Trustee (and/or its directors, officers, administrators or shareholders) or the Company (to the extent that it fulfils all of its obligations under the Manafae Series Transaction Documents to which it is a party) or the Delegate or any of their respective affiliates in respect of any shortfall in the expected amounts from the relevant Manafae Series Trust Assets to the extent the relevant Manafae Series Trust Assets have been exhausted in accordance with the Manafae Series Transaction Documents, following which all obligations of the Trustee, the Delegate, the Company and their respective affiliates shall be extinguished.

The Company is obliged to make payments under the relevant Manafae Series Transaction Documents to which it is a party directly to the Trustee for and on behalf of the Manafae Series Certificateholders. The Trustee and the Delegate (acting in the name of the Trustee, for and on behalf of the Manafae Series Certificateholders) have direct recourse against the Company to recover payments due but unpaid to the Trustee from the Company pursuant to such Manafae Series Transaction Documents. Neither the Trustee nor the Delegate shall be liable for the late, partial or non-recovery of any such payments from the Company save in the case its wilful default or actual fraud.

The net proceeds of the realisation of, or enforcement with respect to, the relevant Manafae Series Trust Assets may not be sufficient to make all payments due in respect of the Manafae Series Certificates. If, following distribution of such proceeds, there remains a shortfall in payments due under the Manafae Series Certificates, subject to Manafae Series Condition 16 (*Enforcement and Exercise of Rights*), Manafae Series Certificateholders will not have any claim against the Trustee (and/or its directors, officers or shareholders), the Company (to the extent that it fulfils its obligations under the Manafae Series Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates, or against any of their respective assets (other than the relevant Manafae Series Trust Assets) in respect of such shortfall and any unsatisfied claims of the Manafae Series Certificateholders shall be extinguished. In particular, no Manafae Series Certificateholder 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 (and/or its directors), the Company (to the extent that it fulfils its obligations under the Manafae Series Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

(c) **Agreement of Certificateholders**

By purchasing Manafae Series Certificates, each Manafae Series Certificateholder is deemed to have agreed that, notwithstanding anything to the contrary contained in these Manafae Series Conditions or any Manafae Series Transaction Document:

- (i) no payment of any amount whatsoever shall be made by any of the Trustee, the Delegate (acting in the name of the Trustee, for and on behalf of the Manafae Series Certificateholders) or any of their respective agents on their behalf except to the extent funds are available therefor from the relevant Manafae Series Trust Assets;
- (ii) no recourse shall be had for the payment of any amount owing hereunder or under any relevant Manafae Series 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 Manafae Series Transaction Documents, against the Trustee (and/or its directors, officers, administrators or shareholders), the Company (to the extent that it fulfils its obligations under the Manafae Series Transaction Documents to which it is a party), the Delegate, any Agent or any of their respective agents or affiliates to the extent the relevant Manafae Series Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, the Company, any Agents and their respective agents or affiliates shall be extinguished;
- (iii) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Manafae Series Transaction Documents to which it is a party have been paid in full, no Manafae Series Certificateholder will institute against, nor 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;
- (iv) no recourse under any obligation, covenant or agreement contained in any Manafae Series Transaction Document shall be had against any shareholder, member, officer, agent or director of the Trustee, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise. The obligations of the Trustee under the Manafae Series Transaction Documents to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents or directors of the Trustee save in the case of their wilful default or actual fraud. Reference in these Manafae Series 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
- (v) no Manafae Series Certificateholder shall 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 Manafae Series Certificate. No collateral is or will be given for the payment obligations under the Manafae Series Certificates.

5. **NEGATIVE PLEDGE**

So long as any Manafae Series Certificate remains outstanding (as defined in the Master Declaration of Trust), the Company will not, and will ensure that none of its Subsidiaries will, create or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**"), other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of any Relevant Indebtedness or Relevant Sukuk Obligation, without at the same time or prior thereto according to its payment obligations to the Trustee under the Manafae Series Transaction Documents to which it is a party the same security as is created or subsisting to secure any such Relevant Indebtedness, Relevant Sukuk Obligation, guarantee or indemnity or such other security

as either: (i) the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of the Manafae Series Certificateholders; or (ii) shall be approved by an Extraordinary Resolution of the Manafae Series Certificateholders.

In these Manafae Series Conditions:

**"Excluded Subsidiary"** means any Subsidiary of the Company:

- (i) which is a single purpose company whose principal assets and business are constituted by the ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets); and
- (ii) whose indebtedness for borrowed money in respect of the financing of such ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets) is subject to no recourse (other than any Permitted Recourse) to the Company or any of its Subsidiaries (other than another Excluded Subsidiary) in respect of the repayment thereof;

**"Permitted Recourse"** means recourse to the Company or any of its Subsidiaries in respect of any financing or refinancing of all or part of the costs of the ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets), so long as the terms of such recourse are restricted such that:

- (i) it shall be released following completion of the development or construction of the relevant asset (or group of related assets) to the satisfaction of the holders of such indebtedness; or
- (ii) it is limited to:
  - (1) an agreed cash amount, and may only be enforced in the event that the development or construction of such project or asset (or group of related assets) cannot be completed or is subject to cost overruns or delays; or
  - (2) the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such project or asset (or group of related assets); or
  - (3) shares, securities or other instruments representing ownership in, or indebtedness of, an Excluded Subsidiary; or
  - (4) an agreement by the Company or any of its Subsidiaries not to dispose of any or all of such shares, securities or other instruments as are referred to in paragraph (3) above; or
  - (5) an agreement by the Company or any of its Subsidiaries to subordinate its rights in respect of such shares, securities or other instruments for the benefit of the holders of indebtedness incurred by an Excluded Subsidiary; or
  - (6) recourse in respect of any policy of insurance (or similar instrument, but for the avoidance of doubt not including any financial guarantee) which may be granted by the Company or any of its Subsidiaries (other than an Excluded Subsidiary) for the benefit of an Excluded Subsidiary;

**"Permitted Security Interest"** means:

- (i) any Security Interest existing on the date on which agreement is reached to issue the first Manafae Tranche of the Manafae Series Certificates;
- (ii) any Security Interest securing Relevant Indebtedness or Relevant Sukuk Obligation of a person and/or its subsidiaries existing at the time that such person is merged into, or consolidated with, the Company or any of its Subsidiaries, provided that such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Company or any of its Subsidiaries;

- (iii) any Security Interest existing on any property or assets prior to the acquisition thereof by the Company or any of its Subsidiaries and not created in contemplation of such acquisition;
- (iv) any renewal of or substitution for any Security Interest permitted by any of paragraphs (i) to (iii) (inclusive) of this definition, provided that with respect to any such Security Interest the principal amount secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets); or
- (v) any Security Interest in respect of any Relevant Indebtedness or Relevant Sukuk Obligation not otherwise permitted under any other paragraph of this definition, provided that the aggregate outstanding amount secured thereby shall not at any time exceed an amount equal to 10 per cent. of Total Assets of the Company;

**"Project Financing Indebtedness"** means any indebtedness incurred in connection with the financing or refinancing (including any such financing or refinancing which is intended to be in compliance with the principles of *Shari'a*) of all or part of the costs of the ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets), provided that the principal source of payment or repayment of such indebtedness is: (i) the project or asset (or group of related assets) so financed or refinanced and/or the revenues or cashflows derived from such project or asset; or (ii) the assets and undertaking of an Excluded Subsidiary and/or shares, securities or other instruments representing ownership in, or indebtedness of, an Excluded Subsidiary and provided further that the person or persons to whom any such indebtedness is or may be owed by the relevant obligor has no recourse (other than Permitted Recourse) to the Company or any Subsidiary;

**"Relevant Indebtedness"** means any indebtedness (other than: (i) Project Financing Indebtedness; and (ii) Securitisation Indebtedness) which is in the form of, or represented or evidenced by, bonds, certificates, debentures, loan stock or other securities which for the time being are, or are intended to be, or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

**"Relevant Sukuk Obligation"** means any present or future undertaking or other obligation to pay any money given in connection with any issue of trust certificates or other securities intended to be issued in compliance with the principles of *Shari'a*, whether or not in return for consideration of any kind, which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

**"Securitisation"** means any securitisation (Islamic or otherwise) of existing or future assets and/or revenues, provided that: (i) any Security Interest given by the Company or any Subsidiary in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) 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 (iii) there is no other recourse to the Company or any Subsidiary in respect of any default by any person under the securitisation;

**"Securitisation Indebtedness"** means any indebtedness incurred in connection with any Securitisation;

**"Subsidiary"** means, at any particular time, any company which is then directly or indirectly controlled, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by the Company. For a company to be "**controlled**" by the Company means that the Company (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls, or has the power to control, the affairs and policies of that company; and

**"Total Assets"** means at any time: (i) in relation to the Company, the consolidated total assets of the Company, calculated by reference to the then latest audited consolidated financial statements of the Company; (ii) in relation to any Subsidiary, the total assets (consolidated in the case of a

Subsidiary which itself has subsidiaries) of such Subsidiary calculated by reference to the then latest financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary, provided that for this purpose, in calculating the amount of the total assets of any Subsidiary of the Company, any receivables due from the Company or any other Subsidiary shall be excluded and provided further that if at any time the relevant financial statements do not include a line item for "total assets", the relevant amount shall be that which the Company determines (after consultation with its external auditors) to be the amount of the relevant total assets (consolidated or, as the case may be, unconsolidated) in accordance with the accounting principles used in preparation of the then latest consolidated financial statements.

## 6. THE TRUST

### (a) Trust Assets

Pursuant to the relevant Declaration of Trust for each Manafae Series, the Trustee has declared that it will hold the Manafae Series Trust Assets for each Manafae Series upon trust absolutely for and on behalf of the Manafae Series Certificateholders *pro rata* according to the face amount of Manafae Series Certificates held by each Manafae Series Certificateholder. The term "**Manafae Series Trust Assets**" means for each Manafae Series:

- (i) the cash proceeds of the issue of the Manafae Series, pending application thereof in accordance with the terms of the Manafae Series Transaction Documents;
- (ii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Throughput Services which are purchased by the Trustee pursuant to the relevant Manafae Series Purchase of Services Agreement and which remain to be sold pursuant to the Manafae Series Service Agency Agreement (and the relevant Manafae Series Services Plan) and, if applicable, the Manafae Series Purchase Undertaking or the Manafae Series Sale Undertaking (as the case may be);
- (iii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Manafae Series Transaction Documents (excluding: (1) any representations given by the Company to the Trustee and/or the Delegate pursuant to any of the Manafae Series Transaction Documents; and (2) the covenant given to the Trustee and/or the Delegate pursuant to clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust); and
- (iv) all monies standing to the credit of the relevant Manafae Series Transaction Account from time to time,

and all proceeds of the foregoing.

*See "Manafae Series Structure Diagram and Cash Flows" and "Summary of Principal Manafae Series Transaction Documents" in the Base Prospectus for detail on the Manafae Series Transaction Documents.*

### (b) Application of Proceeds from Trust Assets

On each Periodic Distribution Date, Partial Dissolution Date, Dissolution Date or any earlier date specified for the dissolution of the Manafae Series Trust of the relevant Manafae Series in accordance with Manafae Series Condition 11 (*Capital Distributions of the Trust*), as applicable, the Issuing and Paying Agent shall apply the monies standing to the credit of the relevant Manafae Series Transaction Account in the following order of priority:

- (i) *first*, (to the extent not previously paid) to pay the Delegate all amounts owing or payable to it under the Manafae Series Transaction Documents in its capacity as Delegate and to any receiver, manager or administrative receiver or any other

appointee in respect of the Manafae Series Trust by the Delegate in accordance with the relevant Declaration of Trust;

- (ii) *second*, (to the extent not previously paid) to pay *pro rata* and *pari passu*: (1) the Trustee in respect of all amounts properly incurred and documented owing to it under the Manafae Series Transaction Documents in its capacity as Trustee; (2) the Trustee Administrator in respect of all amounts owing to it under the Manafae Series Transaction Documents and the Corporate Services Agreement in its capacity as Trustee Administrator; and (3) each Agent in respect of all amounts owing to such Agent on account of its properly incurred fees, costs, charges and expenses and the payment or satisfaction of any liability incurred by such Agent pursuant to the Agency Agreement or the other Manafae Series Transaction Documents in its capacity as Agent;
- (iii) *third*, for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;
- (iv) *fourth*, only if such payment is made on a Partial Dissolution Date for application in or towards payment of the relevant Partial Dissolution Amount;
- (v) *fifth*, only if such payment is made on a Dissolution Date, for application in or towards payment of the relevant Dissolution Amount; and
- (vi) *sixth*, only if such payment is made on a Dissolution Date, payment of any residual amount to the Company in its capacity as the Manafae Series Service Agent under the Manafae Series Service Agency Agreement as an Incentive Payment (as defined in the Manafae Series Services Agency Agreement) for its performance.

## 7. COVENANTS

The Trustee covenants that, among other things, for so long as any Manafae Series Certificate is outstanding (as defined in the Master Declaration of Trust), it shall not:

- (a) incur any indebtedness in respect of borrowed money whatsoever, 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) except, in all cases, as contemplated in the Transaction Documents;
- (b) grant or permit to be outstanding any lien, pledge, charge or other security interest over any of its present or future indebtedness for borrowed money or upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) (other than under or pursuant to any of the Transaction Documents));
- (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 interests in any of the Manafae Series Trust Assets except pursuant to the relevant Transaction Documents;
- (d) subject to Manafae Series Condition 20 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*) and the Master Declaration of Trust, amend or agree to any amendment of any Manafae Series Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;
- (e) except as provided in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust, act as trustee in respect of any trust other than a trust in respect of a Manafae Series or a Wakala Series or in respect of any parties other than the Manafae Series Certificateholders or the Wakala Series Certificateholders;
- (f) have any subsidiaries or employees;



- (g) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (h) use the proceeds of the issue of the Manafae Series Certificates of any Manafae Series for any purpose other than as stated in the Manafae Series Transaction Documents;
- (i) prior to the date which is one year and one day after the date on which the relevant Manafae Series Trust is dissolved, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up 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 and the Corporate Services Agreement or as expressly permitted or required thereunder or engage in any business or activity other than:
  - (i) as provided for or permitted in the Transaction Documents;
  - (ii) the ownership, management and disposal of the relevant Trust Assets in respect of a Series as provided in the Transaction Documents; and
  - (iii) such other matters which are incidental thereto.

## 8. **FIXED PERIODIC DISTRIBUTION PROVISIONS**

This Manafae Series Condition 8 (*Fixed Periodic Distribution Provisions*) is applicable to the Manafae Series Certificates only if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms (or Pricing Supplement, as applicable) as being applicable.

### (a) **Periodic Distribution Amount**

Each Manafae Series Certificate bears profit on its outstanding face amount from the Return Accumulation Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date. The amount of profit payable shall be determined in accordance with Manafae Series Condition 8(b) (*Fixed Periodic Distribution Provisions – Calculations*). Each such amount of profit is referred to in these Manafae Series Conditions as a "**Periodic Distribution Amount**". Periodic Distribution Amounts shall be distributed to Manafae Series Certificateholders, *pro rata* to their respective holdings, out of amounts transferred to the Manafae Series Transaction Account and subject to Manafae Series Condition 6(b) (*The Trust – Application of Proceeds from Trust Assets*) and Manafae Series Condition 10 (*Payment*).

### (b) **Calculations**

The Periodic Distribution Amount payable per Calculation Amount in respect of any Manafae Series Certificate for any Return Accumulation Period shall be equal to the product of: (i) the Profit Rate; (ii) the Calculation Amount; and (iii) the Day Count Fraction for such Return Accumulation Period, unless a Specified Amount (or a formula for its calculation) is applicable to such Return Accumulation Period, in which case the profit payable per Calculation Amount in respect of such Manafae Series Certificate for such Return Accumulation Period shall equal such Specified Amount (or be calculated in accordance with such formula).

### (c) **Payment in Arrear**

Subject to Manafae Series Condition 8(d) (*Fixed Periodic Distribution Provisions – Cessation of Profit Entitlement*), Manafae Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) to Manafae Series Condition 11(f) (*Capital Distributions of the Trust – Dissolution following a Dissolution Event*) (inclusive) and Manafae Series Condition 15 (*Dissolution Events*), each Periodic Distribution

Amount will be paid in respect of the relevant Manafae Series Certificates in arrear on each Periodic Distribution Date.

(d) **Cessation of Profit Entitlement**

- (i) No further amounts will be payable on any Manafae Series Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, unless, subject to Manafae Series Condition 8(d)(ii) (*Fixed Periodic Distribution Provisions – Cessation of Profit Entitlement*), default is made in the payment of the relevant Dissolution Amount, as a result of: (1) the failure by the Company to pay the relevant Manafae Series Exercise Price in accordance with the terms of the Manafae Series Purchase Undertaking or the Manafae Series Sale Undertaking; and (2) no Manafae Series Sale Agreement having been executed following the exercise of the Manafae Series Purchase Undertaking or the Manafae Series Sale Undertaking, in which case Periodic Distribution Amounts will continue to accrue in respect of the Manafae Series Certificates in the manner provided in this Manafae Series Condition 8 (*Fixed Periodic Distribution Provisions*) and as further detailed in the Manafae Series Transaction Documents to, but excluding, the Relevant Date.
- (ii) If the Capacity End Date occurs, no Periodic Distribution Amounts shall accrue to Manafae Series Certificateholders under the Manafae Series Conditions in respect of the period from the Capacity End Date to the Relevant Date.

9. **FLOATING PERIODIC DISTRIBUTION PROVISIONS**

This Manafae Series Condition 9 (*Floating Periodic Distribution Provisions*) is applicable to the Manafae Series Certificates only if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms (or Pricing Supplement, as applicable) as being applicable.

(a) **Periodic Distribution Amount**

Each Manafae Series Certificate bears profit on its outstanding face amount from the Return Accumulation Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date. The amount of profit payable shall be determined in accordance with Manafae Series Condition 9(b) (*Floating Periodic Distribution Provisions – Calculations*). Each such amount of profit is referred to in these Manafae Series Conditions as a "**Periodic Distribution Amount**". Periodic Distribution Amounts shall be distributed to Manafae Series Certificateholders, *pro rata* to their respective holdings, out of amounts transferred to the Manafae Series Transaction Account and subject to Manafae Series Condition 6(b) (*The Trust – Application of Proceeds from Trust Assets*) and Manafae Series Condition 10 (*Payment*).

Such Periodic Distribution Date(s) is/are either specified in the applicable Final Terms (or Pricing Supplement, as applicable) as Specified Periodic Distribution Dates or, if no Specified Periodic Distribution Date(s) is/are specified, Periodic Distribution Date shall mean each date which falls the number of months or other period specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the Specified Period after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Return Accumulation Commencement Date.

If any date referred to in these Manafae Series Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is: (i) the "**Floating Rate Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event: (1) such date shall be brought forward to the immediately preceding Business Day, and (2) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment; (ii) the "**Following**

**Business Day Convention**", such date shall be postponed to the next day that is a Business Day; (iii) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or (iv) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day.

(b) **Calculations**

The Profit Rate for each Return Accumulation Period shall be determined in the manner specified in the applicable Final Terms (or Pricing Supplement, as applicable) and the provisions below relating to any one or more of ISDA Determination, Screen Rate Determination or Linear Interpolation shall apply, depending upon which is specified in the applicable Final Terms (or Pricing Supplement, as applicable).

The Periodic Distribution Amount payable per Calculation Amount in respect of any Manafae Series Certificate for any Return Accumulation Period shall be equal to the product of: (i) the Profit Rate; (ii) the Calculation Amount; and (iii) the Day Count Fraction for such Return Accumulation Period, unless a Specified Amount (or a formula for its calculation) is applicable to such Return Accumulation Period, in which case the profit payable per Calculation Amount in respect of such Manafae Series Certificate for such Return Accumulation Period shall equal such Specified Amount (or be calculated in accordance with such formula).

(1) *ISDA Determination*

Where ISDA Determination is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the manner in which the Profit Rate is to be determined, the Profit Rate for each Return Accumulation Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For this purpose, "**ISDA Rate**" for a Return Accumulation Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which: (x) the Floating Rate Option is as specified in the applicable Final Terms (or Pricing Supplement, as applicable); (y) the Designated Maturity is a period specified in the applicable Final Terms (or Pricing Supplement, as applicable); and (z) the relevant Reset Date is the first day of that Return Accumulation Period unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable). In this paragraph, "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(2) *Screen Rate Determination*

(x) Where Screen Rate Determination is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the manner in which the Profit Rate is to be determined, the Profit Rate for each Return Accumulation Period will, subject as provided below, be either: (A) the offered quotation; or (B) the arithmetic mean of the offered quotations, in each case, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (as specified in the applicable Final Terms (or Pricing Supplement, as applicable)) as at either 11.00 a.m. (London time in the case of LIBOR, LIBID or LIMEAN or Brussels time in the case of EURIBOR) (the "**Specified Time**") on the Periodic Distribution Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be

disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) If the Relevant Screen Page is not available or if paragraph (x)(A) above applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (x)(B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the Specified Time, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, LIBID or LIMEAN the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Periodic Distribution Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Profit Rate for such Return Accumulation Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Profit Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Periodic Distribution Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, LIBID or LIMEAN the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at approximately the Specified Time on the relevant Periodic Distribution Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Company suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, LIBID or LIMEAN the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, as the case may be, provided that, if the Profit Rate cannot be determined in accordance with the foregoing provisions of this paragraph (z), the Profit Rate shall be determined as at the last preceding Periodic Distribution Determination Date (though substituting, where a different Margin or Maximum or Minimum Profit Rate is to be applied to the relevant Return Accumulation Period from that which applied to the last preceding Return Accumulation Period, the Margin or Maximum or Minimum Profit Rate relating to the relevant Return Accumulation Period, in place of the Margin or Maximum or Minimum Profit Rate relating to that last preceding Return Accumulation Period).

(3) *Linear Interpolation*

Where Linear Interpolation is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the manner in which the Profit Rate is to be determined, the Profit Rate for each Return Accumulation Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate

Determination is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Return Accumulation Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Return Accumulation Period, provided that, if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

If any Margin is specified in the applicable Final Terms (or Pricing Supplement, as applicable) (either: (x) generally; or (y) in relation to one or more Return Accumulation Periods), an adjustment shall be made to all Profit Rates, in the case of (x), or the Profit Rates for the specified Return Accumulation Periods, in the case of (y), calculated in accordance with this Manafae Series Condition 9 (*Floating Periodic Distribution Provisions*) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the paragraph below.

If any Maximum or Minimum Profit Rate is specified in the applicable Final Terms (or Pricing Supplement, as applicable), then any Profit Rate shall be subject to such maximum or minimum, as the case may be.

For the purposes of any calculations required pursuant to these Manafae Series Conditions (unless otherwise specified): (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up); (B) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up); and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country or countries, as the case may be, of such currency.

(c) **Payment in Arrear**

Subject to Manafae Series Condition 9(f) (*Floating Periodic Distribution Provisions – Cessation of Profit Entitlement*), Manafae Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) to Manafae Series Condition 11(f) (*Capital Distributions of the Trust – Dissolution following a Dissolution Event*) (inclusive) and Manafae Series Condition 15 (*Dissolution Events*), each Periodic Distribution Amount will be paid in respect of the relevant Manafae Series Certificates in arrear on each Periodic Distribution Date.

(d) **Determination and Publication by the Calculation Agent**

The Calculation Agent shall, as soon as practicable on each Periodic Distribution Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any other determination or calculation, determine such rate and calculate the Periodic Distribution Amounts for the relevant Return Accumulation Period, calculate the Partial Dissolution Amount, the Final Dissolution Amount, the Tax Redemption Amount, the Optional Dissolution Amount or the Change of Control Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Profit Rate and the Periodic Distribution Amounts for each Return Accumulation Period and the relevant Periodic Distribution Date and, if required to be calculated, the Partial Dissolution Amount, the Final Dissolution Amount, the Tax Redemption Amount, the Optional Dissolution Amount or the Change of Control Amount to be notified to the Trustee, the Company, the Delegate, the Registrar, each of the Paying Agents, the Manafae Series

Certificateholders, any other Calculation Agent appointed in respect of the Manafae Series Certificates that is to make a further calculation upon receipt of such information and, if the Manafae Series Certificates are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than: (i) the commencement of the relevant Specified Period, if determined prior to such time, in the case of notification to such exchange of a Profit Rate and Periodic Distribution Amount; or (ii) in all other cases, the fourth Business Day after such determination. Where any Periodic Distribution Date or Specified Period is subject to adjustment pursuant to this Manafae Series Condition 9 (*Floating Periodic Distribution Provisions*), the Periodic Distribution Amounts and the Periodic Distribution Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee, the Company and the Delegate by way of adjustment) without notice in the event of an extension or shortening of the Specified Period. If the Manafae Series Certificates become due and payable under Manafae Series Condition 15 (*Dissolution Events*), the accrued periodic distributions and the Profit Rate payable in respect of the Manafae Series Certificates shall nevertheless continue to be calculated as previously in accordance with this Manafae Series Condition 9 (*Floating Periodic Distribution Provisions*) but no publication of such rate or amount so calculated need be made unless the Delegate otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(e) **Benchmark Replacement**

Notwithstanding the provisions of this Manafae Series Condition 9 (*Floating Periodic Distribution Provisions*), if the Trustee and the Company (in consultation, to the extent practicable, with the Calculation Agent or such other person specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the party responsible for calculating the Profit Rate and Periodic Distribution Amounts) determines that a Benchmark Event has occurred in relation to a Reference Rate when any Profit Rate (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply:

- (i) the Trustee and the Company shall use reasonable endeavours to appoint an Independent Adviser as soon as reasonably practicable, which Independent Adviser shall determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate and, in either case, (subject to paragraph (iv) below) an Adjustment Spread by no later than ten Business Days prior to the Periodic Distribution Determination Date relating to the next succeeding Specified Period (the "**Specified Period Determination Cut-off Date**") for the purposes of determining the Profit Rate applicable to the Manafae Series Certificates for all future Specified Periods (subject to the operation of this Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) in its entirety);
- (ii) if the Trustee and the Company are unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Reference Rate, prior to the Specified Period Determination Cut-off Date in accordance with paragraph (i) above, the Profit Rate applicable to such Specified Period shall be equal to the Profit Rate last determined in relation to the Manafae Series Certificates in respect of the immediately preceding Specified Period and if there has not been a first Periodic Distribution Date, the Profit Rate shall be the initial Profit Rate (though substituting, where a different Margin is to be applied to the relevant Specified Period from that which applied to the last preceding Specified Period for which the Profit Rate was determined, the Margin relating to the relevant Specified Period, in place of the Margin relating to that last preceding Specified Period);
- (iii) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate

(as applicable) and any applicable Adjustment Spread shall be the Reference Rate for all future Specified Periods (subject to the operation of this Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) in its entirety);

- (iv) the Adjustment Spread (or the formula for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be). If, however, the Independent Adviser (in consultation with the Trustee and the Company) is unable to determine, prior to the Periodic Distribution Determination Date relating to the next succeeding Specified Period, the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (v) if the Independent Adviser determines a Successor Rate or an Alternative Reference Rate and, in each case, any applicable Adjustment Spread, in accordance with the above provisions, the Independent Adviser (in consultation with the Trustee and the Company) may also specify changes to these Manafae Series Conditions, including to the Business Day, Business Day Convention, Day Count Fraction, Periodic Distribution Determination Date, Periodic Distribution Dates, Relevant Screen Page and/or the definition of Reference Rate or Adjustment Spread applicable to the Manafae Series Certificates (and in each case, related provisions and definitions), and the method for determining the fallback rate in relation to the Manafae Series Certificates, as necessary in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate (as applicable) and/or (in either case) any applicable Adjustment Spread and the Trustee and the Company shall, subject to giving notice thereof in accordance with paragraph (vii) below, without any requirement for the consent or approval of the Manafae Series Certificateholders, vary these Manafae Series Conditions and/or the Manafae Series Transaction Documents to give effect to such changes with effect from the date specified in such notice, which changes shall apply to the Manafae Series Certificates for all future Specified Periods (subject to the operation of this Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) in its entirety);
- (vi) an Independent Adviser appointed pursuant to this Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) shall act in good faith and subject as aforesaid (in the absence of fraud), shall have no liability whatsoever to the Trustee and the Company, the Calculation Agent or Manafae Series Certificateholders for any determination made by it pursuant to this Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*). No Manafae Series Certificateholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes pursuant to paragraph (v) above, including for the execution of any documents, amendments or other steps by the Trustee, the Company or the Calculation Agent (if required);
- (vii) the Trustee and the Company shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread, give notice thereof and of any changes pursuant to paragraph (v) above to the Calculation Agent, Paying Agents and the Manafae Series Certificateholders in accordance with Manafae Series Condition 19 (*Notices*); and
- (viii) notwithstanding any other provision of this Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), neither the Delegate nor the Issuing and Paying Agent shall be obliged to concur with the Trustee and the Company in respect of any changes pursuant to paragraph (v) above which, in the sole opinion of the Delegate or the Issuing and Paying Agent (as applicable), would have the effect of: (1) exposing the Delegate to any liability against which it has not been indemnified and/or secured and/or prefunded to its

satisfaction; or (2) increasing the obligations or duties, or decreasing the rights or protections, of the Delegate or the Issuing and Paying Agent (as applicable) in the Declaration of Trust, the Agency Agreement and/or these Manafae Series Conditions.

(f) **Cessation of Profit Entitlement**

- (i) No further amounts will be payable on any Manafae Series Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, unless, subject to Manafae Series Condition 9(f)(ii) (*Floating Periodic Distribution Provisions – Cessation of Profit Entitlement*), default is made in the payment of the relevant Dissolution Amount, as a result of: (1) the failure by the Company to pay the relevant Manafae Series Exercise Price in accordance with the terms of the Manafae Series Purchase Undertaking or the Manafae Series Sale Undertaking; and (2) no Manafae Series Sale Agreement having been executed following the exercise of the Manafae Series Purchase Undertaking or the Manafae Series Sale Undertaking, in which case Periodic Distribution Amounts will continue to accrue in respect of the Manafae Series Certificates in the manner provided in this Manafae Series Condition 9 (*Floating Periodic Distribution Provisions*) and as further detailed in the Manafae Series Transaction Documents to, but excluding, the Relevant Date.
- (ii) If the Capacity End Date occurs, no Periodic Distribution Amounts shall accrue to Manafae Series Certificateholders under the Manafae Series Conditions in respect of the period from the Capacity End Date to the Relevant Date.

(g) **Calculation Agent**

The Trustee (failing whom, the Company) shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Final Terms (or Pricing Supplement, as applicable) and for so long as any Manafae Series Certificate is outstanding. Where more than one Calculation Agent is appointed in respect of the Manafae Series Certificates, references in these Manafae Series Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Manafae Series Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Profit Rate for a Return Accumulation Period or to calculate any Periodic Distribution Amounts, Partial Dissolution Amount, Final Dissolution Amount, Tax Redemption Amount, Optional Dissolution Amount or Change of Control Amount, as the case may be, or to comply with any other requirement, the Trustee and the Company shall (with the prior approval of the Delegate) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

10. **PAYMENT**

(a) **Payments in respect of Certificates**

Payment of each Periodic Distribution Amount, any Partial Dissolution Amount and the Dissolution Amount, as applicable, will be made by the relevant Paying Agent in the Specified Currency, by wire transfer in same day funds to the registered account of each Manafae Series Certificateholder. Payments of the Partial Dissolution Amount and the Dissolution Amount, as applicable, will only be made against surrender of the relevant Manafae Series Certificate at the specified office of the relevant Paying Agent. The Dissolution Amount and Partial Dissolution Amount, as applicable, and each Periodic Distribution Amount will be paid to the relevant holder shown on the Register at the close of business on the relevant Record Date.



For the purposes of these Manafae Series Conditions:

- (i) a Manafae Series Certificateholder's "**registered account**" means an account denominated in the Specified Currency maintained by or on behalf of it 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;
- (ii) a Manafae Series Certificateholder's "**registered address**" means its address appearing on the Register at that time; and
- (iii) "**Record Date**" means, in the case of the payment of a Periodic Distribution Amount, the date falling on the fifteenth day before the relevant Periodic Distribution Date and, in the case of the payment of any Dissolution Amount or Partial Dissolution Amount, the date falling two Payment Business Days before the relevant Dissolution Date or Partial Dissolution Date, as the case may be, or other due date for payment of such amount.

(b) **Payments subject to Applicable Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of this Manafae Series Condition 10 (*Payment*) and Manafae Series Condition 12 (*Taxation*). No commission or expenses shall be charged to the Manafae Series Certificateholders in respect of such payments.

(c) **Payment only on a Payment Business Day**

Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated by the relevant Paying Agent, on the due date for payment or, in the case of a payment of the Dissolution Amount, if later, on the Business Day on which the relevant Manafae Series Certificate is surrendered at the specified office of the relevant Paying Agent.

Manafae Series Certificateholders will not be entitled to any additional Periodic Distribution Amount, Partial Dissolution Amount, Dissolution Amount or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, or if the relevant Manafae Series Certificateholder is late in surrendering his Manafae Series Certificate (if required to do so).

If any Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount actually paid.

(d) **Agents**

In acting under the Agency Agreement and in connection with the Manafae Series Certificates, the Agents act solely as agents of the Trustee and (to the extent provided in the Master Declaration of Trust and the Agency Agreement) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Manafae Series Certificateholders or any other party to the Manafae Series Transaction Documents.

The names of the initial Agents and their initial specified offices are set out in this Manafae Series Condition 10(d) (*Payment – Agents*). The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and/or to appoint additional or other Agents provided that the Trustee shall at all times maintain: (i) an Issuing and Paying Agent; (ii) a Registrar; (iii) a Transfer Agent; (iv) Paying Agents; (v) one or more Calculation Agents where these Manafae Series Conditions so require; and (vi) such other agents as may be required by any other stock exchange on which the Manafae Series Certificates may be listed in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall be given to the Trustee, the Company, the Delegate and the Manafae Series Certificateholders in accordance with the provisions of the Agency Agreement.

The name and specified office of the Issuing and Paying Agent, the Paying Agent, the Exchange Agent and Calculation Agent:

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

The name and specified office of the U.S. Registrar, Transfer Agent and Paying Agent:

**Deutsche Bank Trust Company Americas**

Trust and Agency Services  
60 Wall Street, 16<sup>th</sup> Floor  
Mail Stop: NYC60-1630  
New York, New York 10005  
United States of America

The name and specified office of the Euro Registrar, Transfer Agent and Paying Agent:

**Deutsche Bank Luxembourg S.A.**

2 boulevard Konrad Adenauer  
L-1115  
Luxembourg

11. **CAPITAL DISTRIBUTIONS OF THE TRUST**

(a) **Dissolution on the relevant Scheduled Dissolution Date**

Unless the Manafae Series Certificates are previously redeemed or purchased and cancelled as provided in this Manafae Series Condition 11 (*Capital Distributions of the Trust*), the Trustee will redeem each Manafae Series Certificate on the Scheduled Dissolution Date specified in the applicable Final Terms (or Pricing Supplement, as applicable) at its Final Dissolution Amount.

Upon redemption of the Manafae Series Certificates in accordance with this Manafae Series Condition 11(a) (*Capital Distributions of the Trust – Dissolution on the relevant Scheduled Dissolution Date*) and payment in full of the Final Dissolution Amount, the Manafae Series Trust will be dissolved on the relevant Scheduled Dissolution Date, the Manafae Series Certificates shall cease to represent undivided ownership interests in the Manafae Series Trust Assets, no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(b) **Early Dissolution for Tax Reasons**

The Manafae Series Certificates shall be redeemed by the Trustee in whole, but not in part, and the Manafae Series Trust of the relevant Manafae Series shall be dissolved on a Tax Redemption Date by the Trustee giving not less than 30 nor more than 60 days' notice to the Manafae Series Certificateholders in accordance with Manafae Series Condition 19 (*Notices*) (which notice shall be irrevocable), at the Tax Redemption Amount, if a Tax Event occurs, where "**Tax Event**" means:

- (i) (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Manafae Series Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction 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 first Manafae Tranche of the relevant Series (as

specified in the applicable Final Terms (or Pricing Supplement, as applicable)); and (2) such obligation cannot be avoided by the Trustee, taking reasonable measures available to it; or

- (ii) (1) the Trustee has received notice from the Company that it has or will become obliged to pay additional amounts pursuant to the terms of the Manafae Series Service Agency Agreement or any other Manafae Series 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 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 first Manafae Tranche of the relevant Series; and (2) such obligation cannot be avoided by the Company taking reasonable measures available to it,

provided that no such notice of dissolution shall be given by the Trustee to Manafae Series Certificateholders unless a Manafae Series Exercise Notice has been received by the Trustee from the Company under the Manafae Series Sale Undertaking and further provided that no such notice of dissolution shall be given by the Trustee to Manafae Series Certificateholders earlier than 90 days prior to the earliest date on which the Trustee would be obliged to pay such additional amounts if a payment in respect of the Manafae Series Certificates were then due or (in the case of paragraph (ii) above) the Company would be obliged to pay such additional amounts if a payment to the Trustee under the Manafae Series Service Agency Agreement or any other Manafae Series Transaction Document to which it is a party was then due.

Prior to the delivery by the Trustee of any notice of dissolution to Manafae Series Certificateholders pursuant to this Manafae Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*), the Company shall deliver to the Trustee and to the Delegate a Manafae Series Certificate signed by two duly authorised officers of the Company, which shall be binding on the Trustee and the Manafae Series Certificateholders, stating that the Trustee is entitled to effect such dissolution and setting forth a statement of facts showing that the conditions precedent in paragraph (i) or (ii) above, as the case may be, have occurred and the Trustee or the Delegate shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the relevant conditions precedent in which event they shall be conclusive and binding on the Manafae Series Certificateholders.

For the purpose of these Manafae Series Conditions, a "**Relevant Jurisdiction**" means each of the Cayman Islands (in the case of any payment made by the Trustee) and the United Arab Emirates, the Emirate of Dubai and the Dubai International Financial Centre (in the case of any payment made by the Company).

(c) **Dissolution at the Option of the Trustee**

If the Optional Dissolution Right (Call Option) is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as being applicable, the Company may exercise its right granted under clause 2.1.2 (*Grant of Rights*) of the Manafae Series Sale Undertaking in accordance with clause 3.1.2 (*Exercise of Rights*) thereof to redeem the Manafae Series Certificates, in whole or in part, and deliver a Manafae Series Exercise Notice to the Trustee specifying the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, such notice to be delivered in the prescribed form set out in the Manafae Series Sale Undertaking and not less than 15 nor more than 30 days' prior to the Optional Dissolution Call Date or Optional Dissolution Partial Call Date stated therein, as applicable.

Following receipt by the Trustee of a duly completed Manafae Series Exercise Notice in the prescribed form pursuant to this Manafae Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*), the Trustee shall, on giving not less than 15 nor more than 30 days' notice, or such other notice period as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable), to the Manafae Series Certificateholders in accordance with Manafae Series Condition 19

(*Notices*) (which notice shall be irrevocable and shall oblige the Trustee to redeem the relevant Manafae Series Certificates) redeem the relevant Manafae Series Certificates: (i) in the case of a redemption in whole, at the Final Dissolution Amount on the Optional Dissolution Call Date; and (ii) in the case of a redemption in part, at the Optional Dissolution Amount on the Optional Dissolution Partial Call Date, as applicable. Any such redemption or exercise of the Optional Dissolution Right (Call Option) in part must be in respect of Manafae Series Certificates of a face amount at least equal to the Minimum Dissolution Amount and no greater than the Maximum Dissolution Amount, in each case if so specified in the applicable Final Terms (or Pricing Supplement, as applicable).

Upon redemption of all of the Manafae Series Certificates outstanding of the relevant Manafae Series in accordance with this Manafae Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*) and payment in full of the Final Dissolution Amount, the Manafae Series Trust will be dissolved, the Manafae Series Certificates shall cease to represent undivided ownership interests in the Manafae Series Trust Assets and no further amounts shall be payable in respect of the Manafae Series Certificates and the Trustee shall have no further obligations in respect of the Manafae Series Certificates.

For *Shari'a* reasons, the Optional Dissolution Right (Call Option) and the Optional Dissolution Right (Put Option) cannot both be specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable) in respect of any single Manafae Series.

(d) **Make Whole Dissolution Right (Call Option)**

If the Make Whole Dissolution Right (Call Option) is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the Company may exercise its right granted under clause 2.1.2 (*Grant of Rights*) of the Manafae Series Sale Undertaking in accordance with clause 3.1.2 (*Exercise of Rights*) thereof to redeem the Manafae Series Certificates, in whole or in part, and deliver a Manafae Series Exercise Notice to the Trustee specifying the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, such notice to be delivered in the prescribed form set out in the Manafae Series Sale Undertaking and not less than 15 nor more than 30 days' prior to the Optional Dissolution Call Date or Optional Dissolution Partial Call Date stated therein, as applicable.

Following receipt by the Trustee of a duly completed Manafae Series Exercise Notice in the prescribed form pursuant to this Manafae Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Redemption*), the Trustee shall, on giving not less than 15 nor more than 30 days' notice, or such other notice period as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable), to the Manafae Series Certificateholders in accordance with Manafae Series Condition 19 (*Notices*) (which notice shall be irrevocable and shall oblige the Trustee to redeem the relevant Manafae Series Certificates) (the "**Make Whole Notice**"), provided that any Make Whole Notice can only be delivered after the relevant Make Whole Trigger Date, redeem the relevant Manafae Series Certificates: (i) in the case of a redemption in whole, at the Make Whole Amount in respect of such Manafae Series on the Optional Dissolution Call Date; and (ii) in the case of a redemption in part, at the Make Whole Amount in respect of the relevant Manafae Series Certificates being so redeemed on the Optional Dissolution Partial Call Date, as applicable.

Upon redemption of all of the Manafae Series Certificates outstanding of the relevant Manafae Series in accordance with this Manafae Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Redemption*) and payment in full of the Make Whole Amount in respect of such Manafae Series, the Manafae Series Trust will be dissolved, the Manafae Series Certificates shall cease to represent undivided ownership interests in the Manafae Series Trust Assets and no further amounts shall be payable in respect of the Manafae Series Certificates and the Trustee shall have no further obligations in respect of the Manafae Series Certificates.

The Trustee (failing whom, the Company) shall cause the Make Whole Amount to be notified to the Registrar, each of the Paying Agents and any Calculation Agent appointed in respect of the Manafae Series Certificates and, if the Manafae Series Certificates are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority, as soon as possible after its determination but in no event later than the date of the Make Whole Notice.

The determination of the Make Whole Amount and the obtaining of any quotation and/or the making of any determination or calculation in connection therewith by the Independent Investment Banker shall (in the absence of manifest error) be final and binding upon all parties.

Any Make Whole Notice may, at the Company's discretion, be subject to one or more conditions precedent, including completion of a corporate transaction. In such event, such Make Whole Notice shall describe each such condition and, if applicable, may state that, at the Company's discretion, the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, may be delayed until such time as any or all such conditions shall be satisfied or waived, or such redemption may not occur and such Make Whole Notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Company in its sole discretion) by the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, or by the Optional Dissolution Call Date or Optional Dissolution Partial Call Date as so delayed.

If any of the Reference Dealers cease to be a primary dealer in the Benchmark Security, the Trustee and the Company will substitute such bank with another bank and "Reference Dealers" shall be construed accordingly.

(e) **Dissolution at the Option of the Certificateholders**

(i) **Optional Dissolution Right (Put Option)**

If the Optional Dissolution Right (Put Option) is specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable), the Trustee shall, at the option of the holder of any Manafae Series Certificate, upon such holder of such Manafae Series Certificate giving a Put Notice in accordance with Manafae Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*) giving not less than 15 nor more than 30 days' notice, or such other notice period as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable) (the "**Optional Put Period**") to the Trustee, redeem such Manafae Series Certificate on the Optional Dissolution Partial Put Date at its Optional Dissolution Amount.

Notwithstanding the previous paragraph, if the holder of every Manafae Series Certificate outstanding in a Manafae Series delivers a Put Notice within the Optional Put Period in accordance with Manafae Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*) (unless prior to the giving of the relevant Put Notice the Trustee has given notice of redemption under Manafae Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*)), the Trustee will redeem the Manafae Series Certificates at the Final Dissolution Amount on the Periodic Distribution Date immediately following the expiry of the Optional Put Period (the "**Optional Dissolution Put Date**").

Upon redemption of all of the Manafae Series Certificates of the relevant Manafae Series in accordance with this Manafae Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) and payment in full of the Final Dissolution Amount payable the Manafae Series Trust will be dissolved, the Manafae Series Certificates shall cease to represent undivided ownership interests in the Manafae Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For *Shari'a* reasons, the Optional Dissolution Right (Call Option) and the Optional Dissolution Right (Put Option) cannot both be specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable) in respect of any single Manafae Series.

(ii) **Change of Control Put Option**

If Change of Control Put Option is specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable) and if a Change of Control Event occurs, the Trustee will, upon the holder of any Manafae Series Certificate giving a Put Notice in accordance with Manafae Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*) within the Change of Control Put Period redeem such Manafae Series Certificate on the Change of Control Put Option Date at the Change of Control Amount.

Notwithstanding the previous paragraph, if the holder of every Manafae Series Certificate outstanding in a Manafae Series delivers a Put Notice within the Change of Control Put Period in accordance with Manafae Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*) (unless prior to the giving of the relevant Put Notice the Trustee has given notice of redemption under Manafae Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) or Manafae Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*)), the Trustee will redeem the Manafae Series Certificates at the Final Dissolution Amount on the Periodic Distribution Date immediately following the expiry of the Change of Control Put Period (the "**Change of Control Full Put Date**").

Immediately upon the Company becoming aware that a Change of Control Event has occurred, it shall give notice to the Trustee. The Trustee shall, upon receipt of such notice from the Company, and, at any time following the occurrence of a Change of Control Event, the Trustee, if so requested by the holders of at least one-fifth in face amount of the Manafae Series Certificates then outstanding or if so directed by an Extraordinary Resolution, shall, give notice to the Manafae Series Certificateholders (a "**Change of Control Notice**") in accordance with Manafae Series Condition 19 (*Notices*) specifying the nature of the Change of Control Event.

Upon redemption of all of the Manafae Series Certificates of the relevant Manafae Series in accordance with this Manafae Series Condition 11(e)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*) and payment in full of the Final Dissolution Amount, the Manafae Series Trust will be dissolved, the Manafae Series Certificates shall cease to represent undivided ownership interests in the Manafae Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

Neither the Trustee nor the Delegate is under any obligation to ascertain whether a Change of Control Event or any event which could lead to the occurrence of or could constitute a Change of Control Event has occurred and, until it shall have actual knowledge or notice to the contrary, the Trustee may assume that no Change of Control Event or other such event has occurred.

(iii) **Put Notice**

To exercise any option pursuant to Manafae Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) or Manafae Series Condition 11(e)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*), the holder of the Manafae

Series Certificate must, if the Manafae Series Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg or DTC, deposit the Manafae Series Certificate with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Put Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the relevant period. No Manafae Series Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Trustee.

(f) **Dissolution following a Dissolution Event**

Upon the occurrence of a Dissolution Event the Manafae Series Certificates may be redeemed at the Final Dissolution Amount on the Dissolution Event Redemption Date and the Manafae Series Trust will be dissolved by the Trustee, as more particularly specified in Manafae Series Condition 15 (*Dissolution Events*).

Upon redemption of all of the Manafae Series Certificates outstanding of the relevant Manafae Series in accordance with this Manafae Series Condition 11(f) (*Capital Distributions of the Trust – Dissolution following a Dissolution Event*) and payment in full of the Final Dissolution Amount, the Manafae Series Trust will be dissolved, the Manafae Series Certificates shall cease to represent undivided ownership interests in the Manafae Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(g) **No Other Dissolution**

The Trustee shall not be entitled to redeem the Manafae Series Certificates, and the Trustee shall not be entitled to dissolve the Manafae Series Trust otherwise than as provided in this Manafae Series Condition 11 (*Capital Distributions of the Trust*), Manafae Series Condition 14(c) (*Purchase and Cancellation of Certificates – Dissolution of the Trust upon cancellation of all outstanding Certificates in a Series*) and Manafae Series Condition 15 (*Dissolution Events*).

(h) **Cancellations**

All Manafae Series Certificates which are redeemed will forthwith be cancelled and accordingly may not be held, reissued or resold.

(i) **Effect of payment in full of Final Dissolution Amount**

Upon payment in full of the Final Dissolution Amount, together with accrued and unpaid Periodic Distribution Amounts, and the termination of the Manafae Series Trust, the Manafae Series Certificates shall cease to represent an undivided ownership interest in the relevant Manafae Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

12. **TAXATION**

All payments by or on behalf of the Trustee in respect of the Manafae Series Certificates shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction ("**Taxes**") (which expression shall take the same meaning for the purposes of this Manafae Series Condition 12 (*Taxation*) as it takes for the purposes of Manafae Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*)) or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as shall result in receipt by the Manafae Series Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Manafae Series Certificate:

(a) **Presentation in Relevant Jurisdiction**

presented for payment in a Relevant Jurisdiction; or

(b) **Other connection**

to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of such Manafae Series Certificate by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Manafae Series Certificate; or

(c) **Presentation/surrender more than 30 days after the Relevant Date**

presented or (if applicable) surrendered (or (if applicable) in respect of which the relevant Manafae Series Certificate is presented or (if applicable) surrendered) for payment more than 30 days after the Relevant Date (defined below) except to the extent that the holder thereof would have been entitled to such additional amounts on presenting or, as the case may be, surrendering it for payment on such thirtieth day.

Notwithstanding anything to the contrary in these Manafae Series Conditions, the Trustee, the Company, any paying agent and any other person shall be permitted to withhold and deduct, and shall not be required to pay any additional amounts with respect to, any withholding or deduction imposed on or with respect to any Manafae Series Certificate pursuant to FATCA, any treaty, law, regulation or other official guidance implementing FATCA, or any agreement (or related guidance) between the Trustee, the Company, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA.

As used in these Manafae Series Conditions, "**Relevant Date**" in respect of any Manafae Series Certificate means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Manafae Series Certificateholders that, upon further presentation or, as the case may be, surrender of the Manafae Series Certificate being made in accordance with the Manafae Series Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

The Manafae Series Service Agency Agreement, the Manafae Series Purchase Undertaking and the form of Manafae Series Sale Agreement to be entered into pursuant to the Manafae Series Sale Undertaking each provide that payments thereunder by the Company shall be made without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment by the Company of additional amounts so that the full amount which would otherwise have been due and payable is received by the Trustee.

13. **PRESCRIPTION**

Claims against the Trustee or the Company for payment in respect of the Manafae Series Certificates shall be prescribed and become void unless made within 10 years (in the case of the Dissolution Amount or Partial Dissolution Amount, as the case may be) or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date in respect of them.

14. **PURCHASE AND CANCELLATION OF CERTIFICATES**

(a) **Purchases**

The Company and any Subsidiary may at any time purchase Manafae Series Certificates in the open market or otherwise at any price. Manafae Series Certificates so purchased, while held by or on behalf of the Company or any Subsidiary, shall not entitle the holder to vote at any meeting of the Manafae Series Certificateholders and shall not be deemed to be outstanding for the purposes of calculating the quorum at any meeting of Manafae Series Certificateholders or for the purposes of Manafae Series Condition 14(b) (*Purchase and Cancellation of Certificates – Cancellation of Certificates held by the Company and/or any of its Subsidiaries*).



(b) **Cancellation of Certificates held by the Company and/or any of its Subsidiaries**

All Manafae Series Certificates purchased by or on behalf of the Company or any Subsidiary may be surrendered for cancellation by surrendering the Manafae Series Certificate to the Issuing and Paying Agent for cancellation by or on behalf of the Trustee, and, in each case, if so surrendered, shall, together with all Manafae Series Certificates redeemed by the Company, be cancelled forthwith. The Manafae Series Sale Undertaking may be exercised by the Company in respect of the transfer of the Trustee's rights, title, interests, benefits and entitlements in, to and under Throughput Services with an aggregate value no greater than the aggregate face amount of the Manafae Series Certificates so delivered to the Issuing and Paying Agent for cancellation by or on behalf of the Trustee and, upon such cancellation, the Trustee will transfer those Throughput Services to the Company. Any Manafae Series Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Trustee in respect of any such Manafae Series Certificates shall be discharged.

(c) **Dissolution of the Trust upon cancellation of all outstanding Certificates in a Series**

In the event that the Company and/or any of its Subsidiaries purchase all the outstanding Manafae Series Certificates in a Manafae Series and all such Manafae Series Certificates are subsequently cancelled by or on behalf of the Trustee, the relevant Manafae Series Trust will be dissolved and the Manafae Series Certificates shall cease to represent an undivided ownership interest in the relevant Manafae Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

15. **DISSOLUTION EVENTS**

Upon the occurrence of any of the following events (each a "**Dissolution Event**"):

- (a) **Non-payment:** default is made in the payment of any Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount due in respect of the Manafae Series Certificates or any of them and the default continues for a period of seven days in the case of any Dissolution Amount or Partial Dissolution Amount and 14 days in the case of any Periodic Distribution Amount; or
- (b) **Breach of other obligations:** the Trustee defaults in the performance or observance of or compliance with any of its other obligations or undertakings under these Manafae Series Conditions or the Manafae Series Transaction Documents to which it is a party and such default is not capable of remedy (in the opinion of the Delegate) or (if capable of remedy (in the opinion of the Delegate)) is not remedied within 30 days after written notice of such default shall have been given to the Trustee by the Delegate; or
- (c) **DP World Event:** a DP World Event occurs; or
- (d) **Repudiation:** the Trustee repudiates any Manafae Series Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Manafae Series Transaction Document to which it is a party; or
- (e) **Illegality:** at any time it is or will become unlawful or impossible for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its obligations under the Manafae Series Transaction Documents or any of the obligations of the Trustee under the Manafae Series Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (f) **Insolvency:** either: (i) the Trustee becomes insolvent or is unable to pay its financial obligations as they fall due; (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); (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, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Delegate or by an Extraordinary Resolution of the Manafae Series Certificateholders; or

- (g) **Winding-up:** an order or decree is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Trustee; or
- (h) **Analogous event:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (f) and (g) above,

provided that, in the case of paragraphs (b) and (e) above, the Delegate shall have certified in writing to the Trustee that in its opinion such event is materially prejudicial to the interests of the Manafae Series Certificateholders, the Delegate shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, and having been notified in writing of or otherwise determining that (such determination by the Delegate to be in its absolute discretion) such Dissolution Event has occurred, give notice in writing of the occurrence of such Dissolution Event to the Manafae Series Certificateholders in accordance with Manafae Series Condition 19 (*Notices*) with a request to such holders to indicate if they wish the Manafae Series Trust to be dissolved. Following the issuance of such notice the Delegate may, or if so requested in writing by the holders of at least one-fifth of the then aggregate face amount of the Manafae Series outstanding or if so directed by an Extraordinary Resolution of the Manafae Series Certificateholders (a "**Dissolution Request**"), shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Trustee and the Company of the Dissolution Request and, upon receipt of such notice, the Trustee or the Delegate, in the name of the Trustee, shall exercise its rights under the Manafae Series Purchase Undertaking and the Trustee or the Delegate, in the name of the Trustee, shall distribute to the Manafae Series Certificateholders the proceeds of the resultant sale and liquidation credited to the relevant Manafae Series Transaction Account in accordance with the Manafae Series Service Agency Agreement and the Manafae Series Certificates shall be redeemed at the Final Dissolution Amount on the date specified in such notice (the "**Dissolution Event Redemption Date**") and the Manafae Series Trust shall be dissolved on the day after the last outstanding Manafae Series Certificate has been redeemed.

For the purposes of this Manafae Series Condition 15 (*Dissolution Events*), a "**DP World Event**" will occur if one or more of the following events occurs:

- (1) **Non-payment:** in respect of a Manafae Series, the Company (acting in any capacity) fails to pay:
  - (x) an amount payable by it pursuant to any Manafae Series Transaction Document to which it is a party which corresponds to all or a part of a Periodic Distribution Amount payable by the Trustee on a Periodic Distribution Date and the failure continues for a period of 14 days; or
  - (y) an amount payable by it pursuant to any Manafae Series Transaction Document to which it is a party which corresponds to all or a part of a Dissolution Amount or Partial Dissolution Amount payable by the Trustee on a Dissolution Date or Partial Dissolution Date (as the case may be) and the failure continues for a period of seven days; or
- (2) **Breach of other obligations:** the Company does not perform or comply with any one or more of its other obligations under the Manafae Series Transaction Documents to which it is a party which default is not capable of remedy (in the opinion of the Delegate) or, if capable of remedy (in the opinion of the Delegate), is not remedied within 30 days after written notice of such default shall have been given to the Company by the Delegate; or
- (3) **Cross-acceleration:** (x) any other present or future indebtedness of the Company or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described); or (y) any such indebtedness is not paid when due or, as the case

may be, within any applicable grace period; or (z) the Company or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any applicable grace period any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, save in each case where the liability in respect of the relevant indebtedness, guarantee or indemnity is being contested by the Company or such Material Subsidiary, as the case may be, in good faith and by all appropriate means and provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (3) have occurred equals or exceeds U.S.\$50,000,000 or its equivalent (as determined by the Delegate on the basis of the middle spot rate for the relevant currency against the U.S. dollar as determined by any leading bank on the day on which this paragraph falls to be applied); or

- (4) *Enforcement proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or (in the opinion of Delegate) a material part of the property, assets or revenues of the Company or any of its Material Subsidiaries and is not discharged, withdrawn or stayed within 60 days; or
- (5) *Security enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its Material Subsidiaries in respect of all or (in the opinion of the Delegate) a material part of the property, assets or revenues of the Company or such Material Subsidiary, as the case may be, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person); or
- (6) *Insolvency*: the Company or any of its Material Subsidiaries is (or is deemed by a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Delegate) a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Company or any of its Material Subsidiaries; or
- (7) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution of the Company or any of its Material Subsidiaries or the Company or any of its Material Subsidiaries ceases or threatens to cease, or is required to cease, to carry on all or (in the opinion of the Delegate) substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation: (x) on terms approved by the Delegate or by an Extraordinary Resolution of the Manafae Series Certificateholders; or (y) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in another Subsidiary; or
- (8) *Authorisation and consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order: (x) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations in respect of the Manafae Series Certificates and under the Manafae Series Transaction Documents to which it is a party to which it is a party; (y) to ensure that those obligations are legally binding and enforceable; and (z) to make the Manafae Series Certificates and the Manafae Series Transaction Documents to which it is a party admissible in evidence in the courts of the United Arab Emirates or the Emirate of Dubai, is not taken, fulfilled or done; or
- (9) *Illegality*: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Manafae Series Transaction Documents to which it is a party; or
- (10) *Analogous event*: any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,

provided that (other than in the case of paragraphs (1), (2), (6) and (7) (to the extent it relates to the winding-up or dissolution of the Company)) the Delegate shall have certified that in its opinion such event is materially prejudicial to the interests of the Manafae Series Certificateholders.

16. **ENFORCEMENT AND EXERCISE OF RIGHTS**

(a) **Enforcement**

Upon the occurrence of a Dissolution Event, to the extent any amount payable in respect of the Manafae Series Certificates has not been paid in full, the Trustee or the Delegate (subject to the Delegate being indemnified and/or secured and/or prefunded to its satisfaction), may (acting for the benefit of the Manafae Series Certificateholders) take one or more of the following steps:

- (i) enforce the provisions of the Manafae Series Purchase Undertaking, the Manafae Series Service Agency Agreement and any other Manafae Series Transaction Documents in accordance with their terms; and/or
- (ii) take such other actions, steps or proceedings as the Trustee or the Delegate may consider necessary to recover amounts due to the Manafae Series Certificateholders.

(b) **Extinguishment of Rights**

Following the enforcement, realisation of the Manafae Series Certificates and ultimate distribution of the net proceeds of the relevant Manafae Series Trust Assets in respect of the Manafae Series Certificates to the Manafae Series Certificateholders in accordance with these Manafae Series Conditions and the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the obligations of the Trustee in respect of the Manafae Series Certificates shall be satisfied and the right of the Manafae Series Certificateholders to receive any further sums shall be extinguished. Following which, neither the Trustee nor the Delegate shall be liable for any such sums and, accordingly, Manafae Series Certificateholders may not take any action against the Trustee, the Delegate, the Agents or any other person (including the Company) to recover any such sum or asset in respect of the relevant Manafae Series Certificates or the Manafae Series Trust Assets. In particular, no holder of the Manafae Series Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

(c) **Entitlement to Proceed Directly**

No Manafae Series Certificateholder shall be entitled to proceed directly against the Trustee or to provide instructions to the Trustee to proceed directly against the Company in each case under any Manafae Series Transaction Document to which either of them is a party unless the Delegate: (i) fails to do so within a reasonable time becoming so bound and such failure its continuing; or (ii) is unable by reason of an order of a court having competent jurisdiction to do so and such inability is continuing. Under no circumstances shall the Delegate or any Manafae Series Certificateholder have any right to cause the sale or other disposition of any of the relevant Manafae Series Trust Assets and the sole right of the Delegate and the Manafae Series Certificateholders against the Trustee and/or the Company shall be to enforce their respective obligations under the Manafae Series Transaction Documents.

(d) **Trustee and Delegate Not Bound to Act**

Subject to Manafae Series Condition 16(b) (*Enforcement and Exercise of Rights – Extinguishment of Rights*), neither the Trustee nor the Delegate shall be bound in any circumstances to take any action to enforce or to realise the relevant Manafae Series Trust Assets or take any action against, in the case of the Delegate only, the Trustee and/or, in the case of the Trustee or the Delegate, the Company under any Manafae Series Transaction Document to which either of the Trustee or the Company is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the

holders of at least one-fifth of the then outstanding aggregate face amount of the Manafae Series Certificates of the relevant Manafae Series and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and provided that neither the Trustee nor the Delegate shall be held liable for the consequences of exercising or not exercising its discretion or taking or not taking any such action and may do so without having regard to the effect of such action or the failure to take action on individual Manafae Series Certificateholders.

17. **REPLACEMENT OF CERTIFICATES**

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

18. **FURTHER ISSUES**

In respect of any Manafae Series, the Trustee may from time to time without the consent of the Manafae Series Certificateholders create and issue additional Manafae Series Certificates having the same terms and conditions as the outstanding Manafae Series Certificates of such Manafae 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 such further issue shall be consolidated and form a single series with any outstanding Manafae Series Certificates of such Manafae Series. Any additional Manafae Series Certificates which are to form a single Manafae Series with the outstanding Manafae Series Certificates of a particular Manafae Series shall be constituted by a deed supplemental to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust. References in these Manafae Series Conditions to the Manafae Series Certificates include (unless the context requires otherwise) any other Manafae Series Certificates issued pursuant to this Manafae Series Condition 18 (*Further Issues*) and forming a single series with such Manafae Series Certificates.

19. **NOTICES**

Notices to the holders of Manafae Series Certificates shall be mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Any such notice will be deemed to have been given on the first date of such publication. Notices to Manafae Series Certificateholders shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the "*Financial Times*"). If in the opinion of the Trustee 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. The Trustee shall also ensure that notices are duly published in a manner that complies with any other relevant rules of any stock exchange or other relevant authority on which the Manafae Series Certificates are for the time being or by which they have for the time being admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

*Until such time as any Definitive Manafae Series Certificates are issued, there may, so long as the Global Manafae Series Certificate representing the Manafae Series Certificates is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Manafae*

*Series Certificates. Any such notice shall be deemed to have been given to the holders of the Manafae Series Certificates on the third day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.*

20. **MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

(a) **Meetings of Certificateholders**

The Master Declaration of Trust contains provisions for convening meetings of Manafae Series Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Manafae Series Conditions or any provisions of the Master Declaration of Trust. Such a meeting may be convened by Manafae Series Certificateholders holding not less than 10 per cent. in aggregate face amount of the Manafae Series Certificates of a Manafae Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in aggregate face amount of the Manafae Series Certificates of a Manafae Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Manafae Series Certificateholders whatever the outstanding face amount of the Manafae Series Certificates held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*; (i) to amend the relevant Scheduled Dissolution Date, any Partial Dissolution Date or any Periodic Distribution Date or Periodic Distribution Amounts on the Manafae Series Certificates; (ii) to reduce or cancel any amount payable in respect of the Manafae Series Certificates; (iii) to reduce the rate or rates of profit in respect of the Manafae Series Certificates or to vary the method or basis of calculating the rate or rates of profit or the basis for calculating any Periodic Distribution Amounts in respect of the Manafae Series Certificates (other than as set out in Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*)); (iv) if a Minimum and/or a Maximum Dissolution Amount is specified in the applicable Final Terms (or Pricing Supplement, as applicable), to reduce any such Minimum and/or Maximum Dissolution Amount; (v) to vary any method of, or basis for, calculating the Partial Dissolution Amount, the Final Dissolution Amount, the Tax Redemption Amount, the Optional Dissolution Amount, the Change of Control Amount or the Make Whole Amount; (vi) to vary the currency or currencies of payment or denomination of the Manafae Series Certificates, (vii) to modify the provisions concerning the quorum required at any meeting of Manafae Series Certificateholders or the majority required to pass the Extraordinary Resolution; or (viii) to change the governing law of the Manafae Series Certificates, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate face amount of the Manafae Series Certificates for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Manafae Series Certificateholders (whether or not they were present at the meeting at which such resolution was passed).

The Master Declaration of Trust provides that a resolution may be in writing signed by or on behalf of the Manafae Series Certificateholders holding not less than 90 per cent. in aggregate face amount of the Manafae Series Certificates outstanding (a "**Written Resolution**"). Such Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Manafae Series Certificateholders. Further, the Master Declaration of Trust provides that, where the Manafae Series Certificates are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Trustee, the Company or the Delegate (as the case may be) may be given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Issuing and Paying Agent or another specified agent and/or the Delegate in accordance with the operating rules and procedures of the relevant clearing system(s) by or on behalf of the holders of not less than 90 per cent. in aggregate face amount of the Manafae Series Certificates then outstanding (an "**Electronic Consent**"). Any Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution and will be binding on

all Manafae Series Certificateholders whether or not they participated in such Written Resolution or Electronic Consent.

(b) **Modification of the Declaration of Trust and Waiver**

The Master Declaration of Trust, any Supplemental Declaration of Trust and any other Manafae Series Transaction Document may only be amended by the Trustee with the consent of the Delegate and the Delegate may, without the consent of the Manafae Series Certificateholders: (i) agree to any modification of any of the provisions of the Master Declaration of Trust, any Supplemental Declaration of Trust and any other Manafae Series Transaction Document that is, in the opinion of the Delegate of a formal, minor or technical nature or made to correct a manifest error; or (ii) agree to any other modification (other than in respect of a Reserved Matter or any provision of the Master Declaration of Trust referred to in the definition of a Reserved Matter), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Master Declaration of Trust, any Supplemental Declaration of Trust or any other Manafae Series Transaction Document; and (iii) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such if in the case of paragraphs (ii) and (iii) above, in the opinion of the Delegate it is not materially prejudicial to the interests of the Manafae Series Certificateholders. Any such modification, authorisation or waiver shall be binding on the Manafae Series Certificateholders and such modification shall be notified by the Trustee to the Manafae Series Certificateholders in accordance with Manafae Series Condition 19 (*Notices*) as soon as practicable.

In addition, subject to Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), the Trustee, the Delegate and the Agents shall be obliged to agree to such modifications to these Manafae Series Conditions and the Manafae Series Transaction Documents as may be required in order to give effect to Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) in connection with effecting any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes referred to in Manafae Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) without the requirement for the consent or approval of the Manafae Series Certificateholders.

(c) **Entitlement of the Delegate**

In connection with the exercise by it of any of its powers, trusts, authorities and discretions under the Master Declaration of Trust (including, without limitation, any modification) in respect of a Manafae Series, the Delegate shall have regard to the general interests of the Manafae Series Certificateholders as a class and shall not have regard to any interest arising from circumstances particular to individual Manafae Series Certificateholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Manafae Series Certificateholders (whatever their number) resulting from them being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof or taxing jurisdiction and the Delegate shall not be entitled to require, nor shall any Manafae Series Certificateholder be entitled to claim from the Trustee, the Delegate, the Company or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Manafae Series Certificateholders (except, in the case of the Trustee and the Company, to the extent already provided for in Manafae Series Condition 12 (*Taxation*)).

21. **THE DELEGATE**

The Trustee has in the Master Declaration of Trust irrevocably and unconditionally appointed the Delegate to be its attorney and in its name and on its behalf and as its act and deeds:

- (a) to execute, deliver and perfect all documents;
- (b) to exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, authorities (including, but not limited to, the authority to request

directions from any Manafae Series Certificateholders and the power to make any determinations to be made under the Manafae Series Transaction Documents) and discretions vested in the Trustee by the relevant Declaration of Trust, that the Delegate may consider to be necessary or desirable in order, upon the occurrence of a Dissolution Event or Potential Dissolution Event, to exercise all of the rights of the Trustee under the Manafae Series Purchase Undertaking, the Manafae Series Service Agency Agreement and the relevant Manafae Series Transaction Documents; and

- (c) make such distributions from the relevant Manafae Series Trust Assets as the Trustee is bound to make in accordance with the relevant Declaration of Trust,

(together the "**Delegation**" of the "**Relevant Powers**"),

provided that,

- (i) no obligations, duties, Liabilities or covenants of the Trustee pursuant to the relevant Declaration of Trust or any other Manafae Series Transaction Document shall be imposed on the Delegate by virtue of this delegation;
- (ii) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust the relevant Manafae Series Trust Assets; and
- (iii) such Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion to hold any of the relevant Manafae Series Trust Assets, to dissolve any of the trusts constituted by the relevant Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate.

The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the relevant Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Master Declaration of Trust.

The appointment of a delegate by the Trustee is intended to be in the interests of the Manafae Series Certificateholders and the Wakala Series Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

The Master 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. In particular, in respect of a Manafae Series, in connection with the exercise of any of its rights in respect of the relevant Manafae Series Trust Assets or any other right it may have pursuant to the Master Declaration of Trust, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Manafae Series Condition 16 (*Enforcement and Exercise of Rights*), and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Company under the Manafae Series Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Manafae Series Certificateholders in respect of any payments which should have been paid by the Company but are not so paid and shall not in any circumstances have any liability arising from the relevant Manafae Series Trust Assets other than as expressly provided in these Manafae Series Conditions or in the relevant Declaration of Trust.

The Delegate may rely on any certificate or report of the auditors or insolvency officials (as applicable) of the Trustee, the Company or any other person called for by or provided to the Delegate (whether or not addressed to the Delegate) in accordance with or for the purposes of the Master Declaration of Trust or the other Manafae Series Transaction Documents and such certificate or report may be relied upon by the Delegate as sufficient evidence of the facts stated



therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Delegate in connection therewith contains a monetary or other limit on the liability of the auditors of the Trustee, the Company or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by an engagement or similar letter or by the terms of the certificate or report itself and the Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

Nothing shall, in any case where the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Master Declaration of Trust conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Master Declaration of Trust and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for wilful default or actual fraud of which either of them may be guilty in relation to their duties under the relevant Declaration of Trust.

22. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Manafae Series Certificates under the Contracts (Rights of Third Parties) Act 1999.

23. **GOVERNING LAW AND DISPUTE RESOLUTION**

(a) **Governing Law**

The Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust (including these Manafae Series Conditions), the Agency Agreement and the Manafae Series Certificates, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and shall be construed in accordance with, English law.

(b) **Arbitration**

Without limiting the rights of the Delegate under Manafae Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*), any dispute, claim, difference or controversy arising out of, relating to, or having any connection with the Master Declaration of Trust (including these Manafae Series Conditions) and/or the Manafae Series Certificates (including any dispute regarding their existence, validity, interpretation, performance, breach or termination 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 under the London Court of International Arbitration ("**LCIA**") Rules (the "**Rules**"), which rules (as amended from time to time) are deemed to be incorporated by reference into this Manafae Series Condition 23(b) (*Governing Law and Dispute Resolution – Arbitration*). For these purposes:

(i) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party to the Dispute and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA;

(ii) the seat of arbitration shall be London, England; and

(iii) the language of the arbitration shall be English.

(c) **Jurisdiction**

Notwithstanding Manafae Series Condition 23(b) (*Governing Law and Dispute Resolution – Arbitration*), the Delegate (or, but only where permitted to take action in accordance with the terms of the Master Declaration of Trust, any Manafae Series Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and the Company require that a dispute be heard by the courts of England.

If the Delegate (or any Manafae Series Certificateholder) gives such notice, the Dispute to which such notice refers shall be determined in accordance with this Manafae Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*) and, subject as provided below, any arbitration commenced under Manafae Series Condition 23(b) (*Governing Law and Dispute Resolution – Arbitration*) in respect of that Dispute will be terminated. Each person who gives such notice and the recipient of that notice will bear its own costs in relation to the terminated arbitration.

If any notice to terminate is given after service of any Request for Arbitration (as defined in the Rules) in respect of any Dispute, the Delegate (or the relevant Manafae Series Certificateholder) must also within 28 days of service of a Request for Arbitration give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (ii) his entitlement to be paid his proper fees and disbursements; and
- (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

If notice is delivered to the Trustee and the Company in accordance with this Manafae Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*), the courts of England are to have jurisdiction to settle any such dispute and accordingly any legal action or proceedings arising out of or in connection with any Manafae Series Certificates ("**Proceedings**") may be brought in such courts.

Each of the Trustee and the Company has in the Master Declaration of Trust irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient or inappropriate forum.

This Manafae Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*) is for the benefit of the Delegate, for and on behalf of the Manafae Series Certificateholders, only. As a result, and notwithstanding the remainder of this Manafae Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*), the Delegate may bring Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Delegate may take concurrent Proceedings in any number of jurisdictions.

(d) **Service of Process**

Each of the Trustee and the Company has in the Master Declaration of Trust irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

(e) **Waiver**

The Company has in the Master Declaration of Trust irrevocably agreed that, should any Proceedings be taken anywhere (whether for any injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) in relation to those Proceedings (including without limitation, immunity from the jurisdiction of any court or tribunal, suit, service of process, injunctive or other interim relief, any order for specific performance, any order for recovery of land, any attachment (whether in aid of execution, before judgment or otherwise) of its assets, any process for execution of any award or judgment or other legal process) shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Company irrevocably agrees that it and its assets (irrespective of its use or intended use) are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Manafae Series Transaction Documents to which it is a party. Notwithstanding the foregoing, the Company makes no representation as to whether Dubai Law No. 10 of 2005 (*Government Lawsuits Amendment*) and/or Article 106 of Cabinet Resolution 57 of 2018 will apply to its assets, revenue or property.

(f) **Consent**

Each of the Trustee and the Company has in the Master Declaration of Trust irrevocably and generally consented in respect of any Proceedings anywhere to the giving of any relief or the issue of any process in connection with those Proceedings including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those Proceedings.

## TERMS AND CONDITIONS OF THE WAKALA SERIES CERTIFICATES

The following is the text of the terms and conditions of the Wakala Series Certificates (the "**Wakala Series Conditions**") that, subject to completion and as supplemented in accordance with the provisions of Part A of the applicable Final Terms (or, in the case of Non-PR Certificates, the applicable Pricing Supplement (each as defined below)) and, save for the text in italics, shall be applicable to the Definitive Wakala Series Certificates (if any) issued in exchange for the Global Wakala Series Certificate representing each Wakala Series. Either: (i) the full text of these Wakala Series Conditions together with the relevant provisions of Part A of the Final Terms (or, in the case of Non-PR Certificates, the applicable Pricing Supplement); or (ii) these Wakala Series Conditions as so completed or supplemented (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on or attached to such Global Wakala Series Certificate and Definitive Wakala Series Certificates. All capitalised terms that are not defined in these Wakala Series Conditions will have the meanings given to them in Part A of the applicable Final Terms (or, in the case of Non-PR Certificates, the applicable Pricing Supplement). Those definitions will be endorsed on or attached to such Global Wakala Series Certificate and Definitive Wakala Series Certificates, as the case may be. References in these Wakala Series Conditions to "**Wakala Series Certificates**" are to the Wakala Series Certificates of one Wakala Series only, not to all Wakala Series Certificates that may be issued under the Programme. For so long as the Wakala Series Certificates are represented by Global Wakala Series Certificates, these Wakala Series Conditions shall be as modified by the terms of the relevant Global Wakala Series Certificate (see further "Form of the Certificates").

In the case of a Wakala Tranche which will not be admitted to listing, trading on a regulated market for the purposes of Directive 2014/65/EU, as amended ("**MiFID II**") in the European Economic Area and/or quotation by any competent authority, stock exchange and/or quotation system or will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Trustee, the Company and the relevant Dealer ("**Non-PR Certificates**") and, accordingly, no base prospectus will be required to be produced in accordance with Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), a pricing supplement (a "**Pricing Supplement**") will be issued describing the final terms of such Wakala Tranche of Non-PR Certificates.

DP World Crescent Limited (in its capacity as issuer and as trustee, the "**Trustee**") has established a trust certificate issuance programme (the "**Programme**") for the issuance of up to U.S.\$5,000,000,000 (or its equivalent in other currencies) in aggregate face amount of trust certificates outstanding at any time (the "**Certificates**"). The Certificates issued under the Programme are issued in wakala series (the "**Wakala Series**") or manafae series (the "**Manafae Series**" and, together with the Wakala Series, the "**Series**").

Each Wakala Series may be issued in tranches (each, a "**Wakala Tranche**") on the same or different issue dates.

The final terms for a Wakala Series Certificate (or the relevant provisions thereof) are set out in Part A of the applicable Final Terms (or, in the case of Non-PR Certificates, Part A of the applicable Pricing Supplement) attached to the relevant Supplemental Declaration of Trust (as defined below) and incorporated or endorsed on a Wakala Series Certificate which supplement these terms and conditions (the "**Wakala Series Conditions**"). References in these Wakala Series Conditions to the "**applicable Final Terms**" or "**applicable Pricing Supplement**", as the case may be, are to the final terms (or the relevant provisions thereof) attached to the relevant Supplemental Declaration of Trust and incorporated or endorsed on each Wakala Series Certificate.

The Wakala Series Certificates of each Wakala Series shall form a separate series and these Wakala Series Conditions shall apply *mutatis mutandis* separately and independently to the Wakala Series Certificates of each Wakala Series and, in these Wakala Series Conditions, the expressions "**Wakala Series Certificates**", "**Wakala Series Certificateholders**" and related expressions shall be construed accordingly.

In these Wakala Series Conditions, references to "**Wakala Series Certificates**" shall be references to the Wakala Series Certificates (whether in global form as a Restricted Global Certificate (as defined herein) and/or an Unrestricted Global Certificate (as defined herein), as the context may require (each a "**Global Wakala Series Certificate**") or in definitive form as definitive Wakala Series Certificates (each a "**Definitive Wakala Series Certificate**")) which are the subject of the applicable Final Terms (or Pricing Supplement, as applicable).

Each Wakala Series Certificate will represent an undivided ownership interest in the relevant Wakala Series Trust Assets (as defined below) held on trust by the Trustee (the "**Wakala Series Trust**") for the holders of such Wakala Series Certificates pursuant to: (i) an amended and restated master declaration of trust (the "**Master Declaration of Trust**") dated 2 September 2019 and entered into by the Trustee, DP World PLC (the "**Company**") and Deutsche Trustee Company Limited in its capacity as delegate (the "**Delegate**"); and (ii) a supplemental declaration of trust in respect of the relevant Wakala Tranche to be entered into by the same parties (the "**Supplemental Declaration of Trust**", and together with the Master Declaration of Trust, the "**Declaration of Trust**").

These Wakala Series Conditions include summaries of, and are subject to, the detailed provisions of the relevant Declaration of Trust and the other Wakala Series Transaction Documents (as defined below). Payments relating to the Wakala Series Certificates will be made pursuant to an amended and restated agency agreement dated 2 September 2019 (the "**Agency Agreement**") made between, *inter alios*, the Trustee, the Company, the Delegate, Deutsche Bank AG, London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Exchange Agents**" (which expression shall include the Issuing and Paying Agent), the "**Euro Registrar**" and the "**U.S. Registrar**" (together, the "**Registrars**" and each a "**Registrar**"), the "**Transfer Agents**" (which expression shall include the Registrars) and the "**Calculation Agent(s)**". The Issuing and Paying Agents, the Paying Agents, the Exchange Agents, the Registrars, the Transfer Agents and the Calculation Agents are together referred to as the "**Agents**". References to the Agents or any of them shall include their successors.

References herein to "**Issuing and Paying Agent**", "**Calculation Agent**" and "**Registrar**" shall be deemed to be respectively to the Issuing and Paying Agent, Calculation Agent and the Registrars so appointed and references to any Paying Agent shall be to the Issuing and Paying Agent. Any additional Paying Agents and the relevant Calculation Agent and the Registrars will be specified in the applicable Final Terms (or Pricing Supplement, as applicable).

The Wakala Series Certificateholders of a Wakala Series are entitled to the benefit of, are bound by, and are deemed to have notice of the following documents as each may be amended and restated and/or supplemented from time to time, copies of which are available for inspection upon reasonable notice being given and during usual business hours at the registered office of the Trustee (presently at Conyers Trust Company (Cayman) Limited, P.O. Box 2681, Cricket Square, Hutchins Drive, Grand Cayman, KY1-1111, Cayman Islands) and at the specified offices of the Paying Agents:

- (a) a master purchase agreement between the Trustee (in its capacity as purchaser) and the Company (in its capacity as seller) dated on or about the date of this Base Prospectus (the "**Wakala Series Master Purchase Agreement**");
- (b) in respect of each Wakala Tranche, a supplemental purchase agreement between the Trustee (in its capacity as purchaser) and the Company (in its capacity as seller) entered into on the relevant Issue Date (the "**Wakala Series Supplemental Purchase Agreement**" and together with the Wakala Series Master Purchase Agreement, the "**Wakala Series Purchase Agreement**");
- (c) a service agency agreement between the Trustee (in its capacity as Trustee) and the Company (in its capacity as service agent and liquidity provider) dated on or about the date of this Base Prospectus (the "**Wakala Series Service Agency Agreement**") and, in respect of each Wakala Tranche, the relevant Wakala Series Services Plan (as defined in the Wakala Series Service Agency Agreement);
- (d) a purchase undertaking granted by the Company in favour of the Trustee and the Delegate dated on or about the date of this Base Prospectus (the "**Wakala Series Purchase Undertaking**") including the form of the Wakala Series Sale Agreement (as defined herein);
- (e) a sale undertaking granted by the Trustee in favour of the Company dated on or about the date of this Base Prospectus (the "**Wakala Series Sale Undertaking**") including the form of the Wakala Series Sale Agreement (as defined herein);

- (f) a master murabaha agreement between the Trustee (in its capacity as seller), the Company (in its capacity as buyer) and the Delegate dated on or about the date of this Base Prospectus (the "**Wakala Series Master Murabaha Agreement**");
- (g) the Master Declaration of Trust;
- (h) in respect of each Wakala Tranche, the relevant Supplemental Declaration of Trust and the relevant Declaration of Commingling of Assets (if any);
- (i) the Agency Agreement; and
- (j) in respect of each Wakala Tranche, the applicable Final Terms (or Pricing Supplement, as applicable).

Each Wakala Series Certificateholder, by its acquisition and holding of Wakala Series Certificates, shall be deemed, in respect of each Wakala Series, to authorise and direct the Trustee on behalf of the Wakala Series Certificateholders: (1) to apply the proceeds of the issuance in accordance with the terms of the Wakala Series Transaction Documents; and (2) to enter into, and perform its obligations under and in connection with, each Wakala Series Transaction Document to which it is a party, subject to the terms and conditions of the relevant Declaration of Trust and these Wakala Series Conditions.

## 1. **INTERPRETATION**

In these Wakala Series Conditions the following expressions have the following meanings:

"**Accountholder**" means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or DTC, as the case may be, as entitled to a particular face amount of the Wakala Series Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC as to the face amount of such Wakala Series Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error);

"**Adjustment Spread**" means either: (a) a spread (which may be positive, negative or zero); or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the relevant Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Trustee and the Company) determines is customarily applied to the Successor Rate or Alternative Reference Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Reference Rate; or
- (iii) if the Independent Adviser (in consultation with the Trustee and the Company) determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser (in consultation with the Trustee and the Company) in its discretion determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate where such rate has been replaced by the Successor Rate or Alternative Reference Rate (as applicable);

"**Alternative Reference Rate**" means the rate (and related alternative screen page or source, if available) that the Independent Adviser (in consultation with the Trustee and the Company) determines is customarily applied in international debt capital markets transactions for the purposes of determining Profit Rates (or the relevant component part thereof) in respect of Wakala Series Certificates denominated in the Specified Currency and of a comparable duration to the relevant Specified Period or, if the Independent Adviser (in consultation with the Trustee and the Company) determines that there is no such rate, such other rate as the Independent Adviser (in consultation with the Trustee and the Company) determines in its discretion is most comparable to the relevant Reference Rate;

**"Applicable Maturity"** means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate; and (b) in relation to ISDA Determination, the Designated Maturity;

**"Benchmark Event"** means:

- (a) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered or ceasing to be published for at least five Business Days;
- (b) a public statement by the administrator of the relevant Reference Rate that it has ceased or that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);
- (c) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued;
- (d) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which the relevant Reference Rate will be prohibited from being used generally, or in respect of the Wakala Series Certificates; or
- (e) it has become unlawful for the Calculation Agent, the Trustee or the Company to calculate any payments due to be made to any Wakala Series Certificateholder using the relevant Reference Rate,

provided that in the case of paragraphs (a) to (d) (inclusive) above, the Benchmark Event shall occur on the date of the cessation of publication of the relevant Reference Rate, the discontinuation of the relevant Reference Rate, or the prohibition of use of the relevant Reference Rate, as the case may be, and not the date of the relevant public statement;

**"Benchmark Security"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Broken Amount"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Business Day"** means: (a) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; (b) in the case of euro, a day on which the TARGET system is operating (a **"TARGET Business Day"**); and/or (c) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres;

**"Calculation Amount"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Change of Control Amount"** means, in respect of each Wakala Series, unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable): (a) (where the Change of Control Put Option has been exercised in respect of some (but not all) of the Wakala Series Certificates of the relevant Wakala Series) the Partial Dissolution Amount; or (b) (where the Change of Control Put Option has been exercised in respect of all of the Wakala Series Certificates of the relevant Wakala Series) the Final Dissolution Amount;

**"Change of Control Event"** will occur if at any time the Government of Dubai ceases to own, directly or indirectly, at least 50 per cent. of the issued share capital of the Company or otherwise ceases to control, directly or indirectly, the Company. For the purpose of this Wakala Series Condition, the Government of Dubai will be deemed to **"control"** the Company if (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) it has the power to appoint and/or remove all or the majority of the

members of the board of directors or other governing body of the Company or otherwise controls, or has the power to control, the affairs and policies of the Company;

**"Change of Control Full Put Date"** has the meaning given to it in Wakala Series Condition 11(e)(ii) (*Capital Distribution of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*);

**"Change of Control Put Option"** means the put option described in Wakala Series Condition 11(e)(ii) (*Capital Distribution of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*);

**"Change of Control Put Option Date"** means, in respect of any Change of Control Put Period, the date which falls 14 days after the date on which the relevant holder exercises its option in accordance with Wakala Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*);

**"Change of Control Put Period"** means, in relation to any Change of Control Event, the period from and including the date on which a Change of Control Notice is given to and including the date falling 60 days after the date on which any such notice is given;

**"Clearstream, Luxembourg"** has the meaning given to it in Wakala Series Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

**"Commodity Murabaha Investment"** has the meaning given to it in the Wakala Series Master Murabaha Agreement;

**"Comparable Security"** means the Benchmark Security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the Wakala Series Certificates to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Wakala Series Certificates;

**"Comparable Security Price"** means: (a) if the Independent Investment Banker obtains four or more Reference Dealer Quotations, the average of such Reference Dealer Quotations after excluding the highest and lowest of such Reference Dealer Quotations; (b) if the Independent Investment Banker obtains less than four but more than one Reference Dealer Quotations, the average of such Reference Dealer Quotations; or (c) if the Independent Investment Banker obtains one Reference Dealer Quotation, such Reference Dealer Quotation;

**"Corporate Services Agreement"** means the corporate services agreement dated 14 April 2016 entered into between the Trustee and the Trustee Administrator;

**"Day Count Fraction"** means, in respect of the calculation of any Periodic Distribution Amount on any Wakala Series Certificate for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Specified Period or Return Accumulation Period, the **"Calculation Period"**):

- (a) if **"30/360"** is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;



"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (b) if "30E/360" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (c) if "30E/360 (ISDA)" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless: (1) that day is the last day of February; or (2) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless: (1) that day is the last day of February but not the Scheduled Dissolution Date; or (2) such number would be 31, in which case D2 will be 30;

- (d) if "**Actual/360**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the actual number of days in the Calculation Period divided by 360;
- (e) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the actual number of days in the Calculation Period divided by 365;
- (f) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the actual number of days in the Calculation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;
- (g) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of: (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365); and
- (h) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable):
  - (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of: (1) the number of days in such Determination Period, and (2) the number of Determination Periods normally ending in any year; and
  - (ii) if the Calculation Period is longer than one Determination Period, the sum of:
    - (1) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of: (x) the number of days in such Determination Period, and (y) the number of Determination Periods normally ending in any year; and
    - (2) the number of days in such Calculation 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 Periods normally ending in any year;

"**Deferred Payment Price**" has the meaning given to it in the Wakala Series Master Murabaha Agreement;

"**Delegation**" has the meaning given to it in Wakala Series Condition 21 (*The Delegate*);

"**Determination Date**" means the date(s) specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) or, if none is so specified, the Periodic Distribution Date(s);

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date;

"**Dispute**" has the meaning given to it in Wakala Series Condition 23 (*Governing Law and Dispute Resolution*);

"**Dissolution Amount**" means the Final Dissolution Amount and the Tax Redemption Amount;

**"Dissolution Date"** means, in respect of each Wakala Series, as the case may be:

- (i) the Scheduled Dissolution Date;
- (ii) the Tax Redemption Date;
- (iii) the Optional Dissolution Call Date;
- (iv) the Optional Dissolution Put Date;
- (v) the Change of Control Full Put Date;
- (vi) the Total Loss Dissolution Date;
- (vii) the date on which all of the Wakala Series Certificates outstanding are cancelled following the purchase of such Wakala Series Certificates by or on behalf of the Company and or any of its Subsidiaries pursuant to Wakala Series Condition 14(a) (*Purchase and Cancellation of Certificates – Purchases*); and
- (viii) the Dissolution Event Redemption Date;

**"Dissolution Event"** has the meaning given to it in Wakala Series Condition 15 (*Dissolution Events*);

**"Dissolution Event Redemption Date"** has the meaning given to it in Wakala Series Condition 15 (*Dissolution Events*);

**"Dissolution Request"** has the meaning given to it in Wakala Series Condition 15 (*Dissolution Events*);

**"DP World Event"** has the meaning given to it in Wakala Series Condition 15 (*Dissolution Events*);

**"DTC"** has the meaning given to it in Wakala Series Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

**"EBITDA"** means, in respect of any period, profit in respect of such period, plus: (i) finance costs (net of interest income); (ii) income tax (if any); and (iii) depreciation and amortisation, less (iv) the fixed component of any liability under a concession agreement or other operating lease required to be treated as a finance lease by the Group under IFRS 16 – Leases, in each case in respect of such period and at any time; (a) in relation to the Company, shall be calculated by reference to the relevant amounts shown in the then latest audited consolidated financial statements of the Company; and (b) in relation to any Subsidiary, shall be calculated by reference to the relevant amounts (consolidated in the case of a Subsidiary which itself has subsidiaries) shown in the then latest financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary;

**"EURIBOR"** means the Euro Interbank Offered Rate;

**"Euroclear"** has the meaning given to it in Wakala Series Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

**"Eurozone"** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

**"Extraordinary Resolution"** has the meaning given to it in schedule 3 (*Provisions for Meetings of Certificateholders*) to the Master Declaration of Trust;

**"Final Dissolution Amount"** means, in respect of redemption of all Wakala Series Certificates outstanding of a Wakala Series (except pursuant to Wakala Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*)) in respect of each such Wakala Series Certificate being redeemed, unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable), the sum of:

- (i) the outstanding face amount of such Wakala Series Certificate; and
- (ii) any accrued but unpaid Periodic Distribution Amounts for such Wakala Series Certificate to but excluding the relevant Dissolution Date,

and, in respect of redemption of all Wakala Series Certificates outstanding of a Wakala Series pursuant to Wakala Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*), means the Make Whole Amount for such Wakala Series Certificates;

**"Fixed Amount"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"FSMA"** means the Financial Services and Markets Act 2000, as amended;

**"Group"** means the Company and its consolidated subsidiaries taken as a whole;

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Company at its own expense under Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*);

**"Independent Investment Banker"** means one of the Reference Dealers appointed by the Trustee and the Company to act in such capacity;

**"ISDA Definitions"** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Issue Date"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Issue Price"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Liability"** means, in respect of any person, any actual loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability whatsoever and including any value added tax or similar tax charged or chargeable in respect of any sums referred to in this definition and legal or other fees and expenses on a full indemnity basis and references to **"Liabilities"** shall mean all of these;

**"LIBID"** means the London Interbank Bid Rate;

**"LIBOR"** means the London Interbank Offered Rate;

**"LIMEAN"** means the London Interbank Mean Rate, which is a mid-market rate calculated by averaging the LIBOR and the LIBID;

**"Make Whole Amount"** means the amount specified as such in the relevant Make Whole Notice, being an amount equal to the greater of the following amounts:

- (i) 100 per cent. of the face amount of the Wakala Series Certificates being redeemed on the relevant Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable; and
- (ii) the sum of the present values of the remaining scheduled payments of principal and profit on the Wakala Series Certificates being redeemed on the relevant Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable (not including the amount, if any, of accrued and unpaid profit to, but excluding, such Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable) discounted to the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, at

the Make Whole Redemption Rate (as determined by the Independent Investment Banker), plus the Make Whole Redemption Margin,

plus, in each case, accrued and unpaid profit on the Wakala Series Certificates being redeemed to, but excluding, the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable;

**"Make Whole Dissolution Right (Call Option)"** means the right specified in Wakala Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*);

**"Make Whole Trigger Date"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Manafae Series Certificateholders"** has the meaning given to it in the Manafae Series Conditions;

**"Manafae Series Conditions"** means the terms and conditions of the trust certificates issued under the Programme in Manafae Series;

**"Manafae Series Transaction Documents"** has the meaning given to it in the Manafae Series Conditions;

**"Manafae Series Trust Assets"** has the meaning given to it in the Manafae Series Conditions;

**"Material Subsidiary"** means any Subsidiary:

- (i) whose EBITDA (consolidated in the case of a Subsidiary which itself has subsidiaries) or whose Total Assets (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 10 per cent. of the consolidated EBITDA of the Company, or, as the case may be, the consolidated Total Assets of the Company, as the case may be; and/or
- (ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon: (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary; and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant audited financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of paragraph (i) above,

provided that if any acquisition or disposal has occurred after the end of the financial period to which the then latest audited consolidated financial statements of the Company relate, in applying each of the above tests the reference in the relevant defined terms to the latest audited consolidated financial statements shall be deemed to be a reference to such audited consolidated financial statements as if the relevant acquisition or disposal had been reflected in such audited consolidated financial statements by reference (where applicable) to any relevant Subsidiary's then latest relevant financial statements (consolidated in the case of a Subsidiary which itself has subsidiaries), adjusted as set out in the immediately following paragraph. A report by two duly authorised officers of the Company, that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Company, the Trustee, the Delegate and the Wakala Series Certificateholders;

**"Optional Dissolution Amount"** means, in respect of each Wakala Series Certificate of a Wakala Series, unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable), the Partial Dissolution Amount;

**"Optional Dissolution Call Date"** means, in respect of each Wakala Series, the date specified in the notice delivered by the Company to the Trustee: (i) in accordance with Wakala Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*) in connection

with the exercise of the Optional Dissolution Right (Call Option) in whole (being the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable)); or (ii) in accordance with Wakala Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*) in connection with the exercise of the Make Whole Dissolution Right (Call Option) in whole;

**"Optional Dissolution Partial Call Date"** means, in respect of each Wakala Series, the date specified in the notice delivered by the Company to the Trustee: (i) in accordance with Wakala Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*) in connection with the exercise of the Optional Dissolution Right (Call Option) in part (being the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable)); or (ii) in accordance with Wakala Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*) in connection with the exercise of the Make Whole Dissolution Right (Call Option) in part;

**"Optional Dissolution Partial Put Date"** means, in respect of each Wakala Series, the date specified in the notice delivered to the Trustee in accordance with Wakala Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) in connection with the exercise of the Optional Dissolution Right (Put Option) in part (being the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable));

**"Optional Dissolution Put Date"** has the meaning given to it in Wakala Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) (being the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable));

**"Optional Dissolution Right (Call Option)"** means the right specified in Wakala Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*);

**"Optional Dissolution Right (Put Option)"** means the right specified in Wakala Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*);

**"Partial Dissolution Amount"** means, in respect of redemption of some but not all Wakala Series Certificates outstanding of a Wakala Series (except pursuant to Wakala Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*)), in respect of each such Wakala Series Certificate being redeemed, unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable), the sum of:

- (i) the outstanding face amount of such Wakala Series Certificate; and
- (ii) any accrued but unpaid Periodic Distribution Amounts for such Wakala Series Certificate to but excluding the relevant Partial Dissolution Date,

and, in respect of redemption of some but not all Wakala Series Certificates outstanding of a Wakala Series pursuant to Wakala Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Dissolution Right (Call Option)*), means the Make Whole Amount for such Wakala Series Certificates;

**"Partial Dissolution Date"** means, in the case of each Wakala Series, as the case may be:

- (i) Optional Dissolution Partial Call Date;
- (ii) Optional Dissolution Partial Put Date; and
- (iii) Change of Control Put Option Date;

**"Payment Business Day"** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in the relevant place of presentation, in such jurisdictions as shall be specified as Additional Financial Centres in the applicable Final Terms (or Pricing Supplement, as applicable) and:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of euro, a TARGET Business Day;

**"Periodic Distribution Amount"** has the meaning given to it in Wakala Series Condition 8 (*Fixed Periodic Distribution Provisions*) or Wakala Series Condition 9 (*Floating Periodic Distribution Provisions*), as applicable;

**"Periodic Distribution Date"** has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Periodic Distribution Determination Date"** means with respect to a Profit Rate and Return Accumulation Period, the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) or, if none is so specified: (i) the first day of such Return Accumulation Period if the Specified Currency is Sterling; or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Return Accumulation Period if the Specified Currency is neither Sterling nor euro; or (iii) the day falling two TARGET Business Days prior to the first day of such Return Accumulation Period if the Specified Currency is euro;

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

**"Potential Dissolution Event"** has the meaning given to it in the Master Declaration of Trust;

**"Proceedings"** has the meaning given to it in Wakala Series Condition 23 (*Governing Law and Dispute Resolution*);

**"Profit Rate"** means the profit rate payable from time to time in respect of the Wakala Series Certificates and that is either specified or calculated in accordance with the provisions specified in the applicable Final Terms (or Pricing Supplement, as applicable);

**"QIBs"** means qualified institutional buyers as defined in Rule 144A under the Securities Act;

**"QP"** means a qualified purchaser within the meaning of the United States Investment Company Act 1940, as amended;

**"Real Estate Asset"** has the meaning given to it in the Wakala Series Master Purchase Agreement;

**"Record Date"** has the meaning given to it in Wakala Series Condition 10(a)(iii) (*Payment – Payments in respect of Certificates*);

**"Reference Banks"** means, in the case of a determination of LIBOR, LIBID or LIMEAN, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market, in each case selected by the Trustee (failing whom, the Company);

**"Reference Dealer"** means the banks specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) (or, if any of their respective affiliates is a primary dealer in the Benchmark Security, such affiliate) and, if applicable, their respective successors;

**"Reference Dealer Quotation"** means, with respect to each Reference Dealer, the average of the bid and asked prices for the Comparable Security (expressed as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Dealer at the Reference Quotation Time;

**"Reference Quotation Time"** means the time specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) or, if no such time is specified, 5.00 p.m. on the day falling three Business Days prior to the Optional Dissolution Call Date or the Optional Dissolution Partial Call Date, as applicable;

**"Reference Rate"** means the rate specified as such in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Register"** has the meaning given to it in Wakala Series Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

**"Regulation S"** means Regulation S as defined in the Securities Act;

**"Relevant Date"** has the meaning given to it in Wakala Series Condition 12 (*Taxation*);

**"Relevant Jurisdiction"** has the meaning given to it in Wakala Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

**"Relevant Nominating Body"** means, in respect of a reference rate:

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

**"Relevant Powers"** has the meaning given to it in Wakala Series Condition 21 (*The Delegate*);

**"Relevant Screen Page"** means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable) (or any successor or replacement page, section, caption, column or other part of a particular information source);

**"Reserved Matter"** has the meaning given to it in schedule 3 (*Provisions for Meetings of Certificateholders*) of the Master Declaration of Trust;

**"Restricted Global Certificate"** means, in respect of a Wakala Series, the Wakala Series Certificates of such Wakala Series sold to QIBs who are also QPs in reliance on Rule 144A in registered form;

**"Return Accumulation Commencement Date"** means the Issue Date or such other date as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable);

**"Return Accumulation Period"** means the period beginning on (and including) the Return Accumulation Commencement Date and ending on (but excluding) the first Specified Period Date and each successive period beginning on (and including) a Specified Period Date and ending on (but excluding) the next succeeding Specified Period Date;

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

**"Rules"** has the meaning given to it in Wakala Series Condition 23 (*Governing Law and Dispute Resolution*);

**"Scheduled Dissolution Date"** means, in respect of each Wakala Series, the date specified as such in the applicable Final Terms (or Pricing Supplement, as applicable);



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

"**Security Interest**" has the meaning given to it in Wakala Series Condition 5 (*Negative Pledge*);

"**Specified Amount**" means: (i) in respect of a Return Accumulation Period, the amount of profit payable per Calculation Amount for that Return Accumulation Period and which, in the case of Wakala Series Certificates to which Fixed Periodic Distribution Provisions are applicable, and unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable), shall mean the Fixed Amount or Broken Amount specified in the applicable Final Terms (or Pricing Supplement, as applicable) as being payable on the Periodic Distribution Date ending the Specified Period of which such Return Accumulation Period forms part; and (ii) in respect of any other period, the amount of profit payable per Calculation Amount for that period;

"**Specified Currency**" means the currency specified as such in the applicable Final Terms (or Pricing Supplement, as applicable) or, if none is specified, the currency in which the Wakala Series Certificates are denominated;

"**Specified Denomination(s)**" has the meaning given to it in the applicable Final Terms (or Pricing Supplement, as applicable);

"**Specified Period**" means the period beginning on (and including) the Return Accumulation Commencement Date and ending on (but excluding) the first Periodic Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date;

"**Specified Period Date**" means each Periodic Distribution Date unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable);

"**Subsidiary**" has the meaning given to it in Wakala Series Condition 5 (*Negative Pledge*);

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

"**TARGET system**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

"**Tax Event**" has the meaning given to it in Wakala Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

"**Tax Redemption Amount**" means, in respect of each Wakala Series Certificate of a Wakala Series, unless otherwise specified in the applicable Final Terms (or the Pricing Supplement, as applicable), the Final Dissolution Amount;

"**Tax Redemption Date**" means the date specified as such in the Wakala Series Exercise Notice delivered by the Company to the Trustee in accordance with in Wakala Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

"**Taxes**" has the meaning given to it in Wakala Series Condition 12 (*Taxation*);

"**Total Loss Event**" has the meaning given to it in the Wakala Series Service Agency Agreement;

"**Transaction Documents**" means the Wakala Series Transaction Documents and the Manafae Series Transaction Documents;

"**Trust Assets**" means the Wakala Series Trust Assets and the Manafae Series Trust Assets;

"**Trustee Administrator**" means Conyers Trust Company (Cayman) Limited;

"**Unrestricted Global Certificate**" means, in respect of a Wakala Series, the Wakala Series Certificates of such Wakala Series offered and sold in reliance on Regulation S, which will be sold to persons who are not U.S. persons outside the United States, in registered form;

**"Wakala Asset"** has the meaning given to it in the Wakala Series Service Agency Agreement;

**"Wakala Portfolio"** means, in relation to each Wakala Series, the Wakala Assets, if applicable, the Commodity Murabaha Investment(s) for such Wakala Series and all other rights arising under or with respect to the Wakala Assets and the Commodity Murabaha Investment (including the right to receive payment of principal, profit, rental, Deferred Payment Price and any other amounts due in connection with the relevant Wakala Assets and Commodity Murabaha Investment(s));

**"Wakala Series Certificateholder"** means a person in whose name a Wakala Series Certificate is registered in the relevant Register (or in the case of joint holders, the first named thereof) save that, for so long as the Wakala Series Certificates of any Wakala Tranche are represented by a Global Wakala Series Certificate, each Accountholder shall be deemed to be the Wakala Series Certificateholder in respect of the aggregate face amount of such Wakala Series Certificates standing to its account in the records of Euroclear or Clearstream, Luxembourg in the case of the Unrestricted Global Certificate or DTC in the case of a Restricted Global Certificate, as the case may be, for the purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Trustee, solely in the registered holder of such Global Wakala Series Certificates in accordance with and subject to the terms of the relevant Declaration of Trust and such Global Wakala Series Certificates, and the expressions **"holder"**, **"Wakala Series Certificateholder"** and **"holder of Wakala Series Certificates"** and related expressions shall (where appropriate) be construed accordingly;

**"Wakala Series Exercise Notice"** means (as the context requires) an exercise notice delivered or to be delivered in connection with the Wakala Series Purchase Undertaking or Wakala Series Sale Undertaking;

**"Wakala Series Exercise Price"** means, as the context may require, the Exercise Price, the Change of Control Exercise Price or the Optional Dissolution (Put Option) Exercise Price payable following due exercise of the Wakala Series Purchase Undertaking (and as defined therein) or the Exercise Price, Optional Dissolution (Call Option) Exercise Price or Optional Dissolution (Make Whole Call Option) Exercise Price payable following due exercise of the Wakala Series Sale Undertaking (and as defined therein) and, in each case, the amount as specified in the relevant Wakala Series Exercise Notice delivered pursuant to the Wakala Series Purchase Undertaking or Wakala Series Sale Undertaking (as applicable);

**"Wakala Series Sale Agreement"** means any sale agreement entered into in connection with the Wakala Series Purchase Undertaking or, as the case may be, any sale agreement entered into in connection with the Wakala Series Sale Undertaking;

**"Wakala Series Service Agent"** means the Company in its capacity as service agent under the Wakala Series Service Agency Agreement;

**"Wakala Series Transaction Account"** means, in respect of each Wakala Series, an account in the name of the Trustee, opened with the Issuing and Paying Agent in London, into which amounts due and payable to the Trustee under the relevant Wakala Series Transaction Documents are payable;

**"Wakala Series Transaction Documents"** means, in relation to each Wakala Series, the Declaration of Trust, the Declaration of Commingling of Assets, the Agency Agreement, the Wakala Series Purchase Agreement, the Wakala Series Service Agency Agreement (including the relevant Wakala Series Services Plan), the Wakala Series Purchase Undertaking, the Wakala Series Sale Undertaking, any Wakala Series Sale Agreement and the Wakala Series Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Wakala Series); and

**"Wakala Series Trust Assets"** has the meaning given to it in Wakala Series Condition 6(a) (*Trust –Trust Assets*).

## 2. FORM, DENOMINATION AND TITLE

### (a) Form and Denomination

The Wakala Series Certificates are issued in registered form in the Specified Denomination(s) as specified in the applicable Final Terms (or Pricing Supplement, as applicable), provided that the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Wakala Series Certificates) and in case of any Wakala Series Certificates (including Wakala Series 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, the minimum specified denomination shall be £100,000 (or its equivalent in other currencies), unless otherwise permitted by then current law and regulations.

A Definitive Wakala Series Certificate will be issued to each Wakala Series Certificateholder in respect of its registered holding of Wakala Series Certificates. Each Definitive Wakala Series Certificate will be numbered serially with an identifying number which will be recorded on the relevant Definitive Wakala Series Certificate and in the relevant register of Wakala Series Certificateholders which the Trustee will cause to be kept by the relevant Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

*In respect of each Wakala Series, upon issue, Wakala Series Certificates will be represented by one or more Global Wakala Series Certificates in registered form, which will be deposited with, and registered in the name of a nominee for, a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") in respect of an Unrestricted Global Certificate and/or The Depository Trust Company ("**DTC**") in respect of a Restricted Global Certificate. Wakala Series Certificates which are represented by a Global Wakala Series Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream Luxembourg and DTC, as the case may be.*

*References 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 (or Pricing Supplement, as applicable).*

### (b) Title

Title to the Wakala Series Certificates passes only by registration in the Register. Subject to the terms of any relevant Global Wakala Series Certificate and/or the definition of "Wakala Series Certificateholders", the registered holder of any Definitive Wakala Series Certificate will (except as otherwise required by law) be treated as the absolute owner of the Definitive Wakala Series Certificates represented by the Definitive Wakala Series Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Definitive Wakala Series Certificate) and no person will be liable for so treating the holder of any Definitive Wakala Series Certificate. The registered holder of a Definitive Wakala Series Certificate will be recognised by the Trustee as entitled to his Definitive Wakala Series Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Definitive Wakala Series Certificate.

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

In determining whether a particular person is entitled to a particular face amount of Wakala Series Certificates as aforesaid, each of the Trustee and the Delegate may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Each holder must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for its share of each payment made to the registered holder of the Global Wakala Series Certificate.

### 3. TRANSFERS OF CERTIFICATES

#### (a) Transfers

Subject to Wakala Series Condition 3(d) (*Transfers of Certificates – Closed Periods*), Wakala Series Condition 3(e) (*Transfers of Certificates – Regulations*), and the provisions of the Agency Agreement, a Definitive Wakala Series Certificate may be transferred in whole or in an amount equal to the Specified Denomination(s) or any integral multiple thereof by depositing the Definitive Wakala Series Certificate, with the form of transfer on the back, duly completed and signed, at the specified office of the Transfer Agent together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the individuals who have executed the forms of transfer.

*Transfers of interests in a Global Wakala Series Certificate will be effected by Euroclear or Clearstream, Luxembourg in the case of an Unrestricted Global Certificate or DTC in the case of a Restricted Global Certificate, as the case may be, 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 a Global Wakala Series Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Wakala Series Certificates only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg, or DTC as the case may be, and in accordance with the terms and conditions specified in the Master Declaration of Trust and the Agency Agreement.*

#### **Compulsory Sale**

*If at any time a holder of an interest in a Restricted Global Certificate is a U.S. person within the meaning of Regulation S that is not a QIB and a QP, the Trustee may: (i) compel such holder to sell its interest in such Restricted Global Certificate to a person who is: (1) a U.S. person who is a QIB and a QP that is, in each case, otherwise qualified to purchase the Wakala Series Certificates represented hereby in a transaction exempt from registration under the Securities Act; or (2) not a U.S. person within the meaning of Regulation S; or (ii) compel the holder to sell its interest in the Restricted Global Certificates to the Trustee or an affiliate of the Trustee or transfer its interest in such Restricted Global Certificates to a person designated by or acceptable to the Trustee at a price equal to the lesser of: (x) the purchase price paid by the holder, (y) 100 per cent. of the principal amount of the holder's interest in the Restricted Global Certificate, and (z) the fair market value of such interest in the Restricted Global Certificate. The Trustee has*

*the right to refuse to honour a transfer of an interest in the Restricted Global Certificates to a U.S. person who is not a QIB and a QP.*

(b) **Delivery of New Certificates**

Each new Definitive Wakala Series Certificate to be issued upon any transfer of Wakala Series Certificates will, within three business days of receipt by the Transfer Agent of the duly completed form of transfer endorsed on the relevant Wakala Series Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Definitive Wakala Series Certificate to the address specified in the form of transfer. For the purposes of this Wakala Series Condition 3(b) (*Transfers of Certificates – Delivery of New Certificates*), "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Wakala Series Certificate is deposited in connection with a transfer is located.

Where some but not all of the Wakala Series Certificates in respect of which a Definitive Wakala Series Certificate is issued are to be transferred, a new Definitive Wakala Series Certificate in respect of the Wakala Series Certificates not so transferred will, within five business days of receipt by the Transfer Agent of the original Definitive Wakala Series Certificate, be mailed by uninsured mail at the risk of the holder of the Wakala Series Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

*Except in the limited circumstances described in each Global Wakala Series Certificate, owners of interests in a Global Wakala Series Certificate will not be entitled to receive physical delivery of Wakala Series Certificates.*

(c) **Formalities Free of Charge**

Registration of any transfer of Wakala Series Certificates will be effected without charge on behalf of the Trustee by the Registrar or the Transfer Agent but upon payment (or the giving of such indemnity as the Trustee, Registrar or Transfer Agent may reasonably require) by the transferee in respect of any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

(d) **Closed Periods**

No Wakala Series Certificateholder may require the transfer of a Wakala Series Certificate to be registered during the period of 15 days ending on (and including) the due date for any payment of the Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount as specified in the applicable Final Terms (or Pricing Supplement, as applicable) or any other date on which payment of the face amount or payment of any profit in respect of a Wakala Series Certificate falls due as specified in the applicable Final Terms (or Pricing Supplement, as applicable).

(e) **Regulations**

All transfers of Wakala Series Certificates and entries on the Register will be made subject to the detailed regulations concerning transfers of Wakala Series 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 Wakala Series Certificateholder who requests in writing a copy of such regulations.

Unless otherwise requested by him, each Wakala Series Certificateholder shall be entitled to receive, in accordance with Wakala Series Condition 2(b) (*Form, Denomination and Title – Title*), only one Definitive Wakala Series Certificate in respect of his or her entire holding of Wakala Series Certificates. In the case of a transfer of a portion of the face amount of a Definitive Wakala Series Certificate, a new Definitive Wakala Series Certificate in respect of the balance of the Wakala Series Certificates not transferred will be issued to the transferor in accordance with Wakala Series Condition 3(b) (*Transfers of Certificates – Delivery of New Certificates*).

#### 4. STATUS AND LIMITED RECOURSE

##### (a) Status

Each Wakala Series Certificate will represent an undivided ownership interest in the relevant Wakala Series Trust Assets (pursuant to the relevant Declaration of Trust) and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Wakala Series Certificate will rank *pari passu*, without preference or priority, with all other Wakala Series Certificates of the relevant Wakala Series issued under the Programme.

The payment obligations of the Company (in any capacity) under the Wakala Series Transaction Documents shall, save for such exceptions as may be provided for by applicable legislation and subject to the negative pledge provisions in Wakala Series Condition 5 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated obligations of the Company, present and future.

##### (b) Limited Recourse

The proceeds of the relevant Wakala Series Trust Assets are the sole source of payments on the Wakala Series Certificates of each Wakala Series. The Wakala Series Certificates do not represent an interest in or obligation of any of the Trustee (other than in respect of the relevant Wakala Series Trust Assets), the Company (to the extent that it fulfils its obligations under the Wakala Series Transaction Documents to which it is a party), the Delegate or any of their respective affiliates. Accordingly, Wakala Series Certificateholders, by subscribing for or acquiring the Wakala Series Certificates, acknowledge that they will have no recourse to any assets of the Trustee (and/or its directors, officers, administrators or shareholders) or the Company (to the extent that it fulfils all of its obligations under the Wakala Series Transaction Documents to which it is a party) or the Delegate or any of their respective affiliates in respect of any shortfall in the expected amounts from the relevant Wakala Series Trust Assets to the extent the relevant Wakala Series Trust Assets have been exhausted in accordance with the Wakala Series Transaction Documents, following which all obligations of the Trustee, the Delegate, the Company and their respective affiliates shall be extinguished.

The Company is obliged to make payments under the relevant Wakala Series Transaction Documents to which it is a party directly to the Trustee for and on behalf of the Wakala Series Certificateholders. The Trustee and the Delegate (acting in the name of the Trustee, for and on behalf of the Wakala Series Certificateholders) have direct recourse against the Company to recover payments due but unpaid to the Trustee from the Company pursuant to such Wakala Series Transaction Documents. Neither the Trustee nor the Delegate shall be liable for the late, partial or non-recovery of any such payments from the Company save in the case its wilful default or actual fraud.

The net proceeds of the realisation of, or enforcement with respect to, the relevant Wakala Series Trust Assets may not be sufficient to make all payments due in respect of the Wakala Series Certificates. If, following distribution of such proceeds, there remains a shortfall in payments due under the Wakala Series Certificates, subject to Wakala Series Condition 16 (*Enforcement and Exercise of Rights*), Wakala Series Certificateholders will not have any claim against the Trustee (and/or its directors, officers or shareholders), the Company (to the extent that it fulfils its obligations under the Wakala Series Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates, or against any of their respective assets (other than the relevant Wakala Series Trust Assets) in respect of such shortfall and any unsatisfied claims of the Wakala Series Certificateholders shall be extinguished. In particular, no Wakala Series Certificateholder 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 (and/or its directors), the Company (to the extent that it fulfils its obligations under the Wakala Series Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

(c) **Agreement of Certificateholders**

By purchasing Wakala Series Certificates, each Wakala Series Certificateholder is deemed to have agreed that, notwithstanding anything to the contrary contained in these Wakala Series Conditions or any Wakala Series Transaction Document:

- (i) no payment of any amount whatsoever shall be made by any of the Trustee, the Delegate (acting in the name of the Trustee, for and on behalf of the Wakala Series Certificateholders) or any of their respective agents on their behalf except to the extent funds are available therefor from the relevant Wakala Series Trust Assets;
- (ii) no recourse shall be had for the payment of any amount owing hereunder or under any relevant Wakala Series 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 Wakala Series Transaction Documents, against the Trustee (and/or its directors, officers, administrators or shareholders), the Company (to the extent that it fulfils its obligations under the Wakala Series Transaction Documents to which it is a party), the Delegate, any Agent or any of their respective agents or affiliates to the extent the relevant Wakala Series Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, the Company, any Agents and their respective agents or affiliates shall be extinguished;
- (iii) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Wakala Series Transaction Documents to which it is a party have been paid in full, no Wakala Series Certificateholder will institute against, nor 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;
- (iv) no recourse under any obligation, covenant or agreement contained in any Wakala Series Transaction Document shall be had against any shareholder, member, officer, agent or director of the Trustee, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise. The obligations of the Trustee under the Wakala Series Transaction Documents to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents or directors of the Trustee save in the case of their wilful default or actual fraud. Reference in these Wakala Series 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
- (v) no Wakala Series Certificateholder shall 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 Wakala Series Certificate. No collateral is or will be given for the payment obligations under the Wakala Series Certificates.

5. **NEGATIVE PLEDGE**

So long as any Wakala Series Certificate remains outstanding (as defined in the Master Declaration of Trust), the Company will not, and will ensure that none of its Subsidiaries will, create or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**"), other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of any Relevant Indebtedness or Relevant Sukuk Obligation, without at the same time or prior thereto according to its payment obligations to the Trustee under the Wakala Series Transaction Documents to which it is a party the same security as is created or subsisting to secure any such Relevant Indebtedness, Relevant Sukuk Obligation, guarantee or indemnity or such other security as either: (i) the Delegate shall in its absolute discretion deem not materially less beneficial to the

interests of the Wakala Series Certificateholders; or (ii) shall be approved by an Extraordinary Resolution of the Wakala Series Certificateholders.

In these Wakala Series Conditions:

**"Excluded Subsidiary"** means any Subsidiary of the Company:

- (i) which is a single purpose company whose principal assets and business are constituted by the ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets); and
- (ii) whose indebtedness for borrowed money in respect of the financing of such ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets) is subject to no recourse (other than any Permitted Recourse) to the Company or any of its Subsidiaries (other than another Excluded Subsidiary) in respect of the repayment thereof;

**"Permitted Recourse"** means recourse to the Company or any of its Subsidiaries in respect of any financing or refinancing of all or part of the costs of the ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets), so long as the terms of such recourse are restricted such that:

- (i) it shall be released following completion of the development or construction of the relevant asset (or group of related assets) to the satisfaction of the holders of such indebtedness; or
- (ii) it is limited to:
  - (1) an agreed cash amount, and may only be enforced in the event that the development or construction of such project or asset (or group of related assets) cannot be completed or is subject to cost overruns or delays; or
  - (2) the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such project or asset (or group of related assets); or
  - (3) shares, securities or other instruments representing ownership in, or indebtedness of, an Excluded Subsidiary; or
  - (4) an agreement by the Company or any of its Subsidiaries not to dispose of any or all of such shares, securities or other instruments as are referred to in paragraph (3) above; or
  - (5) an agreement by the Company or any of its Subsidiaries to subordinate its rights in respect of such shares, securities or other instruments for the benefit of the holders of indebtedness incurred by an Excluded Subsidiary; or
  - (6) recourse in respect of any policy of insurance (or similar instrument, but for the avoidance of doubt not including any financial guarantee) which may be granted by the Company or any of its Subsidiaries (other than an Excluded Subsidiary) for the benefit of an Excluded Subsidiary;

**"Permitted Security Interest"** means:

- (i) any Security Interest existing on the date on which agreement is reached to issue the first Wakala Tranche of the Wakala Series Certificates;
- (ii) any Security Interest securing Relevant Indebtedness or Relevant Sukuk Obligation of a person and/or its subsidiaries existing at the time that such person is merged into, or consolidated with, the Company or any of its Subsidiaries, provided that such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Company or any of its Subsidiaries;



- (iii) any Security Interest existing on any property or assets prior to the acquisition thereof by the Company or any of its Subsidiaries and not created in contemplation of such acquisition;
- (iv) any renewal of or substitution for any Security Interest permitted by any of paragraphs (i) to (iii) (inclusive) of this definition, provided that with respect to any such Security Interest the principal amount secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets); or
- (v) any Security Interest in respect of any Relevant Indebtedness or Relevant Sukuk Obligation not otherwise permitted under any other paragraph of this definition, provided that the aggregate outstanding amount secured thereby shall not at any time exceed an amount equal to 10 per cent. of Total Assets of the Company;

**"Project Financing Indebtedness"** means any indebtedness incurred in connection with the financing or refinancing (including any such financing or refinancing which is intended to be in compliance with the principles of *Shari'a*) of all or part of the costs of the ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets), provided that the principal source of payment or repayment of such indebtedness is: (i) the project or asset (or group of related assets) so financed or refinanced and/or the revenues or cashflows derived from such project or asset; or (ii) the assets and undertaking of an Excluded Subsidiary and/or shares, securities or other instruments representing ownership in, or indebtedness of, an Excluded Subsidiary and provided further that the person or persons to whom any such indebtedness is or may be owed by the relevant obligor has no recourse (other than Permitted Recourse) to the Company or any Subsidiary;

**"Relevant Indebtedness"** means any indebtedness (other than: (i) Project Financing Indebtedness; and (ii) Securitisation Indebtedness) which is in the form of, or represented or evidenced by, bonds, certificates, debentures, loan stock or other securities which for the time being are, or are intended to be, or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

**"Relevant Sukuk Obligation"** means any present or future undertaking or other obligation to pay any money given in connection with any issue of trust certificates or other securities intended to be issued in compliance with the principles of *Shari'a*, whether or not in return for consideration of any kind, which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

**"Securitisation"** means any securitisation (Islamic or otherwise) of existing or future assets and/or revenues, provided that: (i) any Security Interest given by the Company or any Subsidiary in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) 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 (iii) there is no other recourse to the Company or any Subsidiary in respect of any default by any person under the securitisation;

**"Securitisation Indebtedness"** means any indebtedness incurred in connection with any Securitisation;

**"Subsidiary"** means, at any particular time, any company which is then directly or indirectly controlled, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by the Company. For a company to be "**controlled**" by the Company means that the Company (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls, or has the power to control, the affairs and policies of that company; and

**"Total Assets"** means at any time: (i) in relation to the Company, the consolidated total assets of the Company, calculated by reference to the then latest audited consolidated financial statements of the Company; (ii) in relation to any Subsidiary, the total assets (consolidated in the case of a

Subsidiary which itself has subsidiaries) of such Subsidiary calculated by reference to the then latest financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary, provided that for this purpose, in calculating the amount of the total assets of any Subsidiary of the Company, any receivables due from the Company or any other Subsidiary shall be excluded and provided further that if at any time the relevant financial statements do not include a line item for "total assets", the relevant amount shall be that which the Company determines (after consultation with its external auditors) to be the amount of the relevant total assets (consolidated or, as the case may be, unconsolidated) in accordance with the accounting principles used in preparation of the then latest consolidated financial statements.

## 6. THE TRUST

### (a) Trust Assets

Pursuant to the relevant Declaration of Trust for each Wakala Series, the Trustee has declared that it will hold the Wakala Series Trust Assets for each Wakala Series upon trust absolutely for and on behalf of the Wakala Series Certificateholders *pro rata* according to the face amount of Wakala Series Certificates held by each Wakala Series Certificateholder. The term "**Wakala Series Trust Assets**" means for each Wakala Series:

- (i) the cash proceeds of the issue of the Wakala Series, pending application thereof in accordance with the terms of the Wakala Series Transaction Documents;
- (ii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Wakala Portfolio;
- (iii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Wakala Series Transaction Documents (excluding: (1) any representations given by the Company to the Trustee and/or the Delegate pursuant to any of the Wakala Series Transaction Documents; and (2) the covenant given to the Trustee and/or the Delegate pursuant to clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust); and
- (iv) all monies standing to the credit of the relevant Wakala Series Transaction Account from time to time,

and all proceeds of the foregoing.

*See "Wakala Series Structure Diagram and Cash Flows" and "Summary of Principal Wakala Series Transaction Documents" in the Base Prospectus for detail on the Wakala Series Transaction Documents.*

### (b) Application of Proceeds from Trust Assets

On each Periodic Distribution Date, Partial Dissolution Date, Dissolution Date or any earlier date specified for the dissolution of the Wakala Series Trust of the relevant Wakala Series in accordance with Wakala Series Condition 11 (*Capital Distributions of the Trust*), as applicable, the Issuing and Paying Agent shall apply the monies standing to the credit of the relevant Wakala Series Transaction Account in the following order of priority:

- (i) *first*, (to the extent not previously paid) to pay the Delegate all amounts owing or payable to it under the Wakala Series Transaction Documents in its capacity as Delegate and to any receiver, manager or administrative receiver or any other appointee in respect of the Wakala Series Trust by the Delegate in accordance with the relevant Declaration of Trust;
- (ii) *second*, (to the extent not previously paid) to pay *pro rata* and *pari passu*: (1) the Trustee in respect of all amounts properly incurred and documented owing to it under the Wakala Series Transaction Documents in its capacity as Trustee; (2) the Trustee Administrator in respect of all amounts owing to it under the Wakala Series Transaction Documents and the Corporate Services Agreement in its

capacity as Trustee Administrator; and (3) each Agent in respect of all amounts owing to such Agent on account of its properly incurred fees, costs, charges and expenses and the payment or satisfaction of any liability incurred by such Agent pursuant to the Agency Agreement or the other Wakala Series Transaction Documents in its capacity as Agent;

- (iii) *third*, for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;
- (iv) *fourth*, only if such payment is made on a Partial Dissolution Date for application in or towards payment of the relevant Partial Dissolution Amount;
- (v) *fifth*, only if such payment is made on a Dissolution Date, for application in or towards payment of the relevant Dissolution Amount; and
- (vi) *sixth*, only if such payment is made on a Dissolution Date, payment of any residual amount to the Company in its capacity as the Wakala Series Service Agent under the Wakala Series Service Agency Agreement as an Incentive Payment (as defined in the Wakala Series Services Agency Agreement) for its performance.

## 7. COVENANTS

The Trustee covenants that, among other things, for so long as any Wakala Series Certificate is outstanding (as defined in the Master Declaration of Trust), it shall not:

- (a) incur any indebtedness in respect of borrowed money whatsoever, 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) except, in all cases, as contemplated in the Transaction Documents;
- (b) grant or permit to be outstanding any lien, pledge, charge or other security interest over any of its present or future indebtedness for borrowed money or upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) (other than under or pursuant to any of the Transaction Documents));
- (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 interests in any of the Wakala Series Trust Assets except pursuant to the relevant Transaction Documents;
- (d) subject to Wakala Series Condition 20 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*) and the Master Declaration of Trust, amend or agree to any amendment of any Wakala Series Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;
- (e) except as provided in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust, act as trustee in respect of any trust other than a trust in respect of a Wakala Series or a Manafae Series or in respect of any parties other than the Wakala Series Certificateholders or the Manafae Series Certificateholders;
- (f) have any subsidiaries or employees;
- (g) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (h) use the proceeds of the issue of the Wakala Series Certificates of any Wakala Series for any purpose other than as stated in the Wakala Series Transaction Documents;

- (i) prior to the date which is one year and one day after the date on which the relevant Wakala Series Trust is dissolved, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up 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 and the Corporate Services Agreement or as expressly permitted or required thereunder or engage in any business or activity other than:
  - (i) as provided for or permitted in the Transaction Documents;
  - (ii) the ownership, management and disposal of the relevant Trust Assets in respect of a Series as provided in the Transaction Documents; and
  - (iii) such other matters which are incidental thereto.

## 8. **FIXED PERIODIC DISTRIBUTION PROVISIONS**

This Wakala Series Condition 8 (*Fixed Periodic Distribution Provisions*) is applicable to the Wakala Series Certificates only if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms (or Pricing Supplement, as applicable) as being applicable.

### (a) **Periodic Distribution Amount**

Each Wakala Series Certificate bears profit on its outstanding face amount from the Return Accumulation Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date. The amount of profit payable shall be determined in accordance with Wakala Series Condition 8(b) (*Fixed Periodic Distribution Provisions – Calculations*). Each such amount of profit is referred to in these Wakala Series Conditions as a "**Periodic Distribution Amount**". Periodic Distribution Amounts shall be distributed to Wakala Series Certificateholders, *pro rata* to their respective holdings, out of amounts transferred to the Wakala Series Transaction Account and subject to Wakala Series Condition 6(b) (*The Trust – Application of Proceeds from Trust Assets*) and Wakala Series Condition 10 (*Payment*).

### (b) **Calculations**

The Periodic Distribution Amount payable per Calculation Amount in respect of any Wakala Series Certificate for any Return Accumulation Period shall be equal to the product of: (i) the Profit Rate; (ii) the Calculation Amount; and (iii) the Day Count Fraction for such Return Accumulation Period, unless a Specified Amount (or a formula for its calculation) is applicable to such Return Accumulation Period, in which case the profit payable per Calculation Amount in respect of such Wakala Series Certificate for such Return Accumulation Period shall equal such Specified Amount (or be calculated in accordance with such formula).

### (c) **Payment in Arrear**

Subject to Wakala Series Condition 8(d) (*Fixed Periodic Distribution Provisions – Cessation of Profit Entitlement*), Wakala Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) to Wakala Series Condition 11(f) (*Capital Distributions of the Trust – Dissolution following a Dissolution Event*) (inclusive) and Wakala Series Condition 15 (*Dissolution Events*), each Periodic Distribution Amount will be paid in respect of the relevant Wakala Series Certificates in arrear on each Periodic Distribution Date.

### (d) **Cessation of Profit Entitlement**

- (i) No further amounts will be payable on any Wakala Series Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date (excluding a Total Loss Dissolution Date), unless default is

made in the payment of the relevant Dissolution Amount, as a result of: (1) the failure by the Company to pay the relevant Wakala Series Exercise Price in accordance with the terms of the Wakala Series Purchase Undertaking or the Wakala Series Sale Undertaking; and (2) no Wakala Series Sale Agreement having been executed following the exercise of the Wakala Series Purchase Undertaking or the Wakala Series Sale Undertaking, in which case Periodic Distribution Amounts will continue to accrue in respect of the Wakala Series Certificates in the manner provided in this Wakala Series Condition 8 (*Fixed Periodic Distribution Provisions*) and as further detailed in the Wakala Series Transaction Documents to, but excluding, the Relevant Date.

- (ii) If a Total Loss Event occurs, no Periodic Distribution Amounts shall accrue to Wakala Series Certificateholders under the Wakala Series Conditions in respect of the period from the occurrence of such Total Loss Event to the Relevant Date.

## 9. **FLOATING PERIODIC DISTRIBUTION PROVISIONS**

This Wakala Series Condition 9 (*Floating Periodic Distribution Provisions*) is applicable to the Wakala Series Certificates only if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms (or Pricing Supplement, as applicable) as being applicable.

### (a) **Periodic Distribution Amount**

Each Wakala Series Certificate bears profit on its outstanding face amount from the Return Accumulation Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date. The amount of profit payable shall be determined in accordance with Wakala Series Condition 9(b) (*Floating Periodic Distribution Provisions – Calculations*). Each such amount of profit is referred to in these Wakala Series Conditions as a "**Periodic Distribution Amount**". Periodic Distribution Amounts shall be distributed to Wakala Series Certificateholders, *pro rata* to their respective holdings, out of amounts transferred to the Wakala Series Transaction Account and subject to Wakala Series Condition 6(b) (*The Trust – Application of Proceeds from Trust Assets*) and Wakala Series Condition 10 (*Payment*).

Such Periodic Distribution Date(s) is/are either specified in the applicable Final Terms (or Pricing Supplement, as applicable) as Specified Periodic Distribution Dates or, if no Specified Periodic Distribution Date(s) is/are specified, Periodic Distribution Date shall mean each date which falls the number of months or other period specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the Specified Period after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Return Accumulation Commencement Date.

If any date referred to in these Wakala Series Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is: (i) the "**Floating Rate Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event: (1) such date shall be brought forward to the immediately preceding Business Day, and (2) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment; (ii) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day; (iii) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or (iv) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day.

(b) **Calculations**

The Profit Rate for each Return Accumulation Period shall be determined in the manner specified in the applicable Final Terms (or Pricing Supplement, as applicable) and the provisions below relating to any one or more of ISDA Determination, Screen Rate Determination or Linear Interpolation shall apply, depending upon which is specified in the applicable Final Terms (or Pricing Supplement, as applicable).

The Periodic Distribution Amount payable per Calculation Amount in respect of any Wakala Series Certificate for any Return Accumulation Period shall be equal to the product of: (i) the Profit Rate; (ii) the Calculation Amount; and (iii) the Day Count Fraction for such Return Accumulation Period, unless a Specified Amount (or a formula for its calculation) is applicable to such Return Accumulation Period, in which case the profit payable per Calculation Amount in respect of such Wakala Series Certificate for such Return Accumulation Period shall equal such Specified Amount (or be calculated in accordance with such formula).

(1) *ISDA Determination*

Where ISDA Determination is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the manner in which the Profit Rate is to be determined, the Profit Rate for each Return Accumulation Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For this purpose, "**ISDA Rate**" for a Return Accumulation Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which: (x) the Floating Rate Option is as specified in the applicable Final Terms (or Pricing Supplement, as applicable); (y) the Designated Maturity is a period specified in the applicable Final Terms (or Pricing Supplement, as applicable); and (z) the relevant Reset Date is the first day of that Return Accumulation Period unless otherwise specified in the applicable Final Terms (or Pricing Supplement, as applicable). In this paragraph, "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(2) *Screen Rate Determination*

(x) Where Screen Rate Determination is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the manner in which the Profit Rate is to be determined, the Profit Rate for each Return Accumulation Period will, subject as provided below, be either: (A) the offered quotation; or (B) the arithmetic mean of the offered quotations, in each case, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (as specified in the applicable Final Terms (or Pricing Supplement, as applicable)) as at either 11.00 a.m. (London time in the case of LIBOR, LIBID or LIMEAN or Brussels time in the case of EURIBOR) (the "**Specified Time**") on the Periodic Distribution Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) If the Relevant Screen Page is not available or if paragraph (x)(A) above applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (x)(B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at

the Specified Time, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, LIBID or LIMEAN the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Periodic Distribution Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Profit Rate for such Return Accumulation Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

- (z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Profit Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Periodic Distribution Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, LIBID or LIMEAN the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at approximately the Specified Time on the relevant Periodic Distribution Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Company suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, LIBID or LIMEAN the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, as the case may be, provided that, if the Profit Rate cannot be determined in accordance with the foregoing provisions of this paragraph (z), the Profit Rate shall be determined as at the last preceding Periodic Distribution Determination Date (though substituting, where a different Margin or Maximum or Minimum Profit Rate is to be applied to the relevant Return Accumulation Period from that which applied to the last preceding Return Accumulation Period, the Margin or Maximum or Minimum Profit Rate relating to the relevant Return Accumulation Period, in place of the Margin or Maximum or Minimum Profit Rate relating to that last preceding Return Accumulation Period).

(3) *Linear Interpolation*

Where Linear Interpolation is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the manner in which the Profit Rate is to be determined, the Profit Rate for each Return Accumulation Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Return Accumulation Period and the other of which shall be determined as if the Applicable Maturity were the period of time

for which rates are available next longer than the length of the relevant Return Accumulation Period, provided that, if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

If any Margin is specified in the applicable Final Terms (or Pricing Supplement, as applicable) (either: (x) generally; or (y) in relation to one or more Return Accumulation Periods), an adjustment shall be made to all Profit Rates, in the case of (x), or the Profit Rates for the specified Return Accumulation Periods, in the case of (y), calculated in accordance with this Wakala Series Condition 9 (*Floating Periodic Distribution Provisions*) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the paragraph below.

If any Maximum or Minimum Profit Rate is specified in the applicable Final Terms (or Pricing Supplement, as applicable), then any Profit Rate shall be subject to such maximum or minimum, as the case may be.

For the purposes of any calculations required pursuant to these Wakala Series Conditions (unless otherwise specified): (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up); (B) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up); and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country or countries, as the case may be, of such currency.

(c) **Payment in Arrear**

Subject to Wakala Series Condition 9(f) (*Floating Periodic Distribution Provisions – Cessation of Profit Entitlement*), Wakala Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) to Wakala Series Condition 11(f) (*Capital Distributions of the Trust – Dissolution following a Dissolution Event*) (inclusive) and Wakala Series Condition 15 (*Dissolution Events*), each Periodic Distribution Amount will be paid in respect of the relevant Wakala Series Certificates in arrear on each Periodic Distribution Date.

(d) **Determination and Publication by the Calculation Agent**

The Calculation Agent shall, as soon as practicable on each Periodic Distribution Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any other determination or calculation, determine such rate and calculate the Periodic Distribution Amounts for the relevant Return Accumulation Period, calculate the Partial Dissolution Amount, the Final Dissolution Amount, the Tax Redemption Amount, the Optional Dissolution Amount or the Change of Control Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Profit Rate and the Periodic Distribution Amounts for each Return Accumulation Period and the relevant Periodic Distribution Date and, if required to be calculated, the Partial Dissolution Amount, the Final Dissolution Amount, the Tax Redemption Amount, the Optional Dissolution Amount or the Change of Control Amount to be notified to the Trustee, the Company, the Delegate, the Registrar, each of the Paying Agents, the Wakala Series Certificateholders, any other Calculation Agent appointed in respect of the Wakala Series Certificates that is to make a further calculation upon receipt of such information and, if the Wakala Series Certificates are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than: (i) the commencement of the relevant Specified Period, if determined prior to such time, in the case of notification to such exchange of a Profit Rate and Periodic Distribution Amount;



or (ii) in all other cases, the fourth Business Day after such determination. Where any Periodic Distribution Date or Specified Period is subject to adjustment pursuant to this Wakala Series Condition 9 (*Floating Periodic Distribution Provisions*), the Periodic Distribution Amounts and the Periodic Distribution Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee, the Company and the Delegate by way of adjustment) without notice in the event of an extension or shortening of the Specified Period. If the Wakala Series Certificates become due and payable under Wakala Series Condition 15 (*Dissolution Events*), the accrued periodic distributions and the Profit Rate payable in respect of the Wakala Series Certificates shall nevertheless continue to be calculated as previously in accordance with this Wakala Series Condition 9 (*Floating Periodic Distribution Provisions*) but no publication of such rate or amount so calculated need be made unless the Delegate otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(e) **Benchmark Replacement**

Notwithstanding the provisions of this Wakala Series Condition 9 (*Floating Periodic Distribution Provisions*), if the Trustee and the Company (in consultation, to the extent practicable, with the Calculation Agent or such other person specified in the applicable Final Terms (or Pricing Supplement, as applicable) as the party responsible for calculating the Profit Rate and Periodic Distribution Amounts) determines that a Benchmark Event has occurred in relation to a Reference Rate when any Profit Rate (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply:

- (i) the Trustee and the Company shall use reasonable endeavours to appoint an Independent Adviser as soon as reasonably practicable, which Independent Adviser shall determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate and, in either case, (subject to paragraph (iv) below) an Adjustment Spread by no later than ten Business Days prior to the Periodic Distribution Determination Date relating to the next succeeding Specified Period (the "**Specified Period Determination Cut-off Date**") for the purposes of determining the Profit Rate applicable to the Wakala Series Certificates for all future Specified Periods (subject to the operation of this Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) in its entirety);
- (ii) if the Trustee and the Company are unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Reference Rate, prior to the Specified Period Determination Cut-off Date in accordance with paragraph (i) above, the Profit Rate applicable to such Specified Period shall be equal to the Profit Rate last determined in relation to the Wakala Series Certificates in respect of the immediately preceding Specified Period and if there has not been a first Periodic Distribution Date, the Profit Rate shall be the initial Profit Rate (though substituting, where a different Margin is to be applied to the relevant Specified Period from that which applied to the last preceding Specified Period for which the Profit Rate was determined, the Margin relating to the relevant Specified Period, in place of the Margin relating to that last preceding Specified Period);
- (iii) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate (as applicable) and any applicable Adjustment Spread shall be the Reference Rate for all future Specified Periods (subject to the operation of this Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) in its entirety);
- (iv) the Adjustment Spread (or the formula for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Reference Rate (as the

case may be). If, however, the Independent Adviser (in consultation with the Trustee and the Company) is unable to determine, prior to the Periodic Distribution Determination Date relating to the next succeeding Specified Period, the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

- (v) if the Independent Adviser determines a Successor Rate or an Alternative Reference Rate and, in each case, any applicable Adjustment Spread, in accordance with the above provisions, the Independent Adviser (in consultation with the Trustee and the Company) may also specify changes to these Wakala Series Conditions, including to the Business Day, Business Day Convention, Day Count Fraction, Periodic Distribution Determination Date, Periodic Distribution Dates, Relevant Screen Page and/or the definition of Reference Rate or Adjustment Spread applicable to the Wakala Series Certificates (and in each case, related provisions and definitions), and the method for determining the fallback rate in relation to the Wakala Series Certificates, as necessary in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate (as applicable) and/or (in either case) any applicable Adjustment Spread and the Trustee and the Company shall, subject to giving notice thereof in accordance with paragraph (vii) below, without any requirement for the consent or approval of the Wakala Series Certificateholders, vary these Wakala Series Conditions and/or the Wakala Series Transaction Documents to give effect to such changes with effect from the date specified in such notice, which changes shall apply to the Wakala Series Certificates for all future Specified Periods (subject to the operation of this Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) in its entirety);
- (vi) an Independent Adviser appointed pursuant to this Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) shall act in good faith and subject as aforesaid (in the absence of fraud), shall have no liability whatsoever to the Trustee and the Company, the Calculation Agent or Wakala Series Certificateholders for any determination made by it pursuant to this Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*). No Wakala Series Certificateholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes pursuant to paragraph (v) above, including for the execution of any documents, amendments or other steps by the Trustee, the Company or the Calculation Agent (if required);
- (vii) the Trustee and the Company shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread, give notice thereof and of any changes pursuant to paragraph (v) above to the Calculation Agent, Paying Agents and the Wakala Series Certificateholders in accordance with Wakala Series Condition 19 (*Notices*); and
- (viii) notwithstanding any other provision of this Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), neither the Delegate nor the Issuing and Paying Agent shall be obliged to concur with the Trustee and the Company in respect of any changes pursuant to paragraph (v) above which, in the sole opinion of the Delegate or the Issuing and Paying Agent (as applicable), would have the effect of: (1) exposing the Delegate to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or (2) increasing the obligations or duties, or decreasing the rights or protections, of the Delegate or the Issuing and Paying Agent (as applicable) in the Declaration of Trust, the Agency Agreement and/or these Wakala Series Conditions.

(f) **Cessation of Profit Entitlement**

- (i) No further amounts will be payable on any Wakala Series Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the relevant Dissolution Amount, as a result of: (1) the failure by the Company to pay the relevant Wakala Series Exercise Price in accordance with the terms of the Wakala Series Purchase Undertaking or the Wakala Series Sale Undertaking; and (2) no Wakala Series Sale Agreement having been executed following the exercise of the Wakala Series Purchase Undertaking or the Wakala Series Sale Undertaking, in which case Periodic Distribution Amounts will continue to accrue in respect of the Wakala Series Certificates in the manner provided in this Wakala Series Condition 9 (*Floating Periodic Distribution Provisions*) and as further detailed in the Wakala Series Transaction Documents to, but excluding, the Relevant Date.
- (ii) If a Total Loss Event occurs, no Periodic Distribution Amounts shall accrue to Wakala Series Certificateholders under the Wakala Series Conditions in respect of the period from the occurrence of such Total Loss Event to the Relevant Date.

(g) **Calculation Agent**

The Trustee (failing whom, the Company) shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Final Terms (or Pricing Supplement, as applicable) and for so long as any Wakala Series Certificate is outstanding. Where more than one Calculation Agent is appointed in respect of the Wakala Series Certificates, references in these Wakala Series Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Wakala Series Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Profit Rate for a Return Accumulation Period or to calculate any Periodic Distribution Amounts, Partial Dissolution Amount, Final Dissolution Amount, Tax Redemption Amount, Optional Dissolution Amount or Change of Control Amount, as the case may be, or to comply with any other requirement, the Trustee and the Company shall (with the prior approval of the Delegate) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

10. **PAYMENT**

(a) **Payments in respect of Certificates**

Payment of each Periodic Distribution Amount, any Partial Dissolution Amount and the Dissolution Amount, as applicable, will be made by the relevant Paying Agent in the Specified Currency, by wire transfer in same day funds to the registered account of each Wakala Series Certificateholder. Payments of the Partial Dissolution Amount and the Dissolution Amount, as applicable, will only be made against surrender of the relevant Wakala Series Certificate at the specified office of the relevant Paying Agent. The Dissolution Amount and Partial Dissolution Amount, as applicable, and each Periodic Distribution Amount will be paid to the relevant holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of these Wakala Series Conditions:

- (i) a Wakala Series Certificateholder's "**registered account**" means an account denominated in the Specified Currency maintained by or on behalf of it 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;

- (ii) a Wakala Series Certificateholder's "**registered address**" means its address appearing on the Register at that time; and
- (iii) "**Record Date**" means, in the case of the payment of a Periodic Distribution Amount, the date falling on the fifteenth day before the relevant Periodic Distribution Date and, in the case of the payment of any Dissolution Amount or Partial Dissolution Amount, the date falling two Payment Business Days before the relevant Dissolution Date or Partial Dissolution Date, as the case may be, or other due date for payment of such amount.

(b) **Payments subject to Applicable Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of this Wakala Series Condition 10 (*Payment*) and Wakala Series Condition 12 (*Taxation*). No commission or expenses shall be charged to the Wakala Series Certificateholders in respect of such payments.

(c) **Payment only on a Payment Business Day**

Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated by the relevant Paying Agent, on the due date for payment or, in the case of a payment of the Dissolution Amount, if later, on the Business Day on which the relevant Wakala Series Certificate is surrendered at the specified office of the relevant Paying Agent.

Wakala Series Certificateholders will not be entitled to any additional Periodic Distribution Amount, Partial Dissolution Amount, Dissolution Amount or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, or if the relevant Wakala Series Certificateholder is late in surrendering his Wakala Series Certificate (if required to do so).

If any Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount actually paid.

(d) **Agents**

In acting under the Agency Agreement and in connection with the Wakala Series Certificates, the Agents act solely as agents of the Trustee and (to the extent provided in the Master Declaration of Trust and the Agency Agreement) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Wakala Series Certificateholders or any other party to the Wakala Series Transaction Documents.

The names of the initial Agents and their initial specified offices are set out in this Wakala Series Condition 10(d) (*Payment – Agents*). The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and/or to appoint additional or other Agents provided that the Trustee shall at all times maintain: (i) an Issuing and Paying Agent; (ii) a Registrar; (iii) a Transfer Agent; (iv) Paying Agents; (v) one or more Calculation Agents where these Wakala Series Conditions so require; and (vi) such other agents as may be required by any other stock exchange on which the Wakala Series Certificates may be listed in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall be given to the Trustee, the Company, the Delegate and the Wakala Series Certificateholders in accordance with the provisions of the Agency Agreement.

The name and specified office of the Issuing and Paying Agent, the Paying Agent, the Exchange Agent and Calculation Agent:

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

The name and specified office of the U.S. Registrar, Transfer Agent and Paying Agent:

**Deutsche Bank Trust Company Americas**

Trust and Agency Services  
60 Wall Street, 16<sup>th</sup> Floor  
Mail Stop: NYC60-1630  
New York, New York 10005  
United States of America

The name and specified office of the Euro Registrar, Transfer Agent and Paying Agent:

**Deutsche Bank Luxembourg S.A.**

2 boulevard Konrad Adenauer  
L-1115  
Luxembourg

11. **CAPITAL DISTRIBUTIONS OF THE TRUST**

(a) **Dissolution on the relevant Scheduled Dissolution Date**

Unless the Wakala Series Certificates are previously redeemed or purchased and cancelled as provided in this Wakala Series Condition 11 (*Capital Distributions of the Trust*), the Trustee will redeem each Wakala Series Certificate on the Scheduled Dissolution Date specified in the applicable Final Terms (or Pricing Supplement, as applicable) at its Final Dissolution Amount.

Upon redemption of the Wakala Series Certificates in accordance with this Wakala Series Condition 11(a) (*Capital Distributions of the Trust – Dissolution on the relevant Scheduled Dissolution Date*) and payment in full of the Final Dissolution Amount, the Wakala Series Trust will be dissolved on the relevant Scheduled Dissolution Date, the Wakala Series Certificates shall cease to represent undivided ownership interests in the Wakala Series Trust Assets, no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(b) **Early Dissolution for Tax Reasons**

The Wakala Series Certificates shall be redeemed by the Trustee in whole, but not in part, and the Wakala Series Trust of the relevant Wakala Series shall be dissolved on a Tax Redemption Date by the Trustee giving not less than 30 nor more than 60 days' notice to the Wakala Series Certificateholders in accordance with Wakala Series Condition 19 (*Notices*) (which notice shall be irrevocable), at the Tax Redemption Amount, if a Tax Event occurs, where "**Tax Event**" means:

- (i) (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Wakala Series Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction 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 first Wakala Tranche of the relevant Series (as specified in the applicable Final Terms (or Pricing Supplement, as applicable)); and (2) such obligation cannot be avoided by the Trustee, taking reasonable measures available to it; or

- (ii) (1) the Trustee has received notice from the Company that it has or will become obliged to pay additional amounts pursuant to the terms of the Wakala Series Service Agency Agreement or any other Wakala Series 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 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 first Wakala Tranche of the relevant Series; and (2) such obligation cannot be avoided by the Company taking reasonable measures available to it,

provided that no such notice of dissolution shall be given by the Trustee to Wakala Series Certificateholders unless a Wakala Series Exercise Notice has been received by the Trustee from the Company under the Wakala Series Sale Undertaking and further provided that no such notice of dissolution shall be given by the Trustee to Wakala Series Certificateholders earlier than 90 days prior to the earliest date on which the Trustee would be obliged to pay such additional amounts if a payment in respect of the Wakala Series Certificates were then due or (in the case of paragraph (ii) above) the Company would be obliged to pay such additional amounts if a payment to the Trustee under the Wakala Series Service Agency Agreement, Wakala Series Master Murabaha Agreement or any other Wakala Series Transaction Document to which it is a party was then due.

Prior to the delivery by the Trustee of any notice of dissolution to Wakala Series Certificateholders pursuant to this Wakala Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*), the Company shall deliver to the Trustee and to the Delegate a Wakala Series Certificate signed by two duly authorised officers of the Company, which shall be binding on the Trustee and the Wakala Series Certificateholders, stating that the Trustee is entitled to effect such dissolution and setting forth a statement of facts showing that the conditions precedent in paragraph (i) or (ii) above, as the case may be, have occurred and the Trustee or the Delegate shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the relevant conditions precedent in which event they shall be conclusive and binding on the Wakala Series Certificateholders.

For the purpose of these Wakala Series Conditions, a "**Relevant Jurisdiction**" means each of the Cayman Islands (in the case of any payment made by the Trustee) and the United Arab Emirates, the Emirate of Dubai and the Dubai International Financial Centre (in the case of any payment made by the Company).

(c) **Dissolution at the Option of the Trustee**

If the Optional Dissolution Right (Call Option) is specified in the applicable Final Terms (or Pricing Supplement, as applicable) as being applicable, the Company may exercise its right granted under clause 2.1(b) (*Undertaking*) of the Wakala Series Sale Undertaking in accordance with clause 3.1(b) (*Exercise*) thereof to redeem the Wakala Series Certificates, in whole or in part, and deliver a Wakala Series Exercise Notice to the Trustee specifying the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, such notice to be delivered in the prescribed form set out in the Wakala Series Sale Undertaking and not less than 15 nor more than 30 days' prior to the Optional Dissolution Call Date or Optional Dissolution Partial Call Date stated therein, as applicable.

Following receipt by the Trustee of a duly completed Wakala Series Exercise Notice in the prescribed form pursuant to this Wakala Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*), the Trustee shall, on giving not less than 15 nor more than 30 days' notice, or such other notice period as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable), to the Wakala Series Certificateholders in accordance with Wakala Series Condition 19 (*Notices*) (which notice shall be irrevocable and shall oblige the Trustee to redeem the relevant Wakala Series Certificates) redeem the relevant Wakala Series Certificates: (i) in the case of a redemption in whole, at the Final Dissolution Amount on the Optional Dissolution Call Date; and (ii) in the case of a redemption in part, at the Optional Dissolution Amount on the Optional Dissolution Partial Call Date, as applicable. Any such redemption or exercise of the

Optional Dissolution Right (Call Option) in part must be in respect of Wakala Series Certificates of a face amount at least equal to the Minimum Dissolution Amount and no greater than the Maximum Dissolution Amount, in each case if so specified in the applicable Final Terms (or Pricing Supplement, as applicable).

Upon redemption of all of the Wakala Series Certificates outstanding of the relevant Wakala Series in accordance with this Wakala Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*) and payment in full of the Final Dissolution Amount, the Wakala Series Trust will be dissolved, the Wakala Series Certificates shall cease to represent undivided ownership interests in the Wakala Series Trust Assets and no further amounts shall be payable in respect of the Wakala Series Certificates and the Trustee shall have no further obligations in respect of the Wakala Series Certificates.

For *Shari'a* reasons, the Optional Dissolution Right (Call Option) and the Optional Dissolution Right (Put Option) cannot both be specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable) in respect of any single Wakala Series.

(d) **Make Whole Dissolution Right (Call Option)**

If the Make Whole Dissolution Right (Call Option) is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the Company may exercise its right granted under clause 2.1(b) (*Undertaking*) of the Wakala Series Sale Undertaking in accordance with clause 3.1(b) (*Exercise*) thereof to redeem the Wakala Series Certificates, in whole or in part, and deliver a Wakala Series Exercise Notice to the Trustee specifying the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, such notice to be delivered in the prescribed form set out in the Wakala Series Sale Undertaking and not less than 15 nor more than 30 days' prior to the Optional Dissolution Call Date or Optional Dissolution Partial Call Date stated therein, as applicable.

Following receipt by the Trustee of a duly completed Wakala Series Exercise Notice in the prescribed form pursuant to this Wakala Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Redemption*), the Trustee shall, on giving not less than 15 nor more than 30 days' notice, or such other notice period as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable), to the Wakala Series Certificateholders in accordance with Wakala Series Condition 19 (*Notices*) (which notice shall be irrevocable and shall oblige the Trustee to redeem the relevant Wakala Series Certificates) (the "**Make Whole Notice**"), provided that any Make Whole Notice can only be delivered after the relevant Make Whole Trigger Date, redeem the relevant Wakala Series Certificates: (i) in the case of a redemption in whole, at the Make Whole Amount in respect of such Wakala Series on the Optional Dissolution Call Date; and (ii) in the case of a redemption in part, at the Make Whole Amount in respect of the relevant Wakala Series Certificates being so redeemed on the Optional Dissolution Partial Call Date, as applicable.

Upon redemption of all of the Wakala Series Certificates outstanding of the relevant Wakala Series in accordance with this Wakala Series Condition 11(d) (*Capital Distributions of the Trust – Make Whole Redemption*) and payment in full of the Make Whole Amount in respect of such Wakala Series, the Wakala Series Trust will be dissolved, the Wakala Series Certificates shall cease to represent undivided ownership interests in the Wakala Series Trust Assets and no further amounts shall be payable in respect of the Wakala Series Certificates and the Trustee shall have no further obligations in respect of the Wakala Series Certificates.

The Trustee (failing whom, the Company) shall cause the Make Whole Amount to be notified to the Registrar, each of the Paying Agents and any Calculation Agent appointed in respect of the Wakala Series Certificates and, if the Wakala Series Certificates are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority, as soon as possible after its determination but in no event later than the date of the Make Whole Notice.

The determination of the Make Whole Amount and the obtaining of any quotation and/or the making of any determination or calculation in connection therewith by the Independent Investment Banker shall (in the absence of manifest error) be final and binding upon all parties.

Any Make Whole Notice may, at the Company's discretion, be subject to one or more conditions precedent, including completion of a corporate transaction. In such event, such Make Whole Notice shall describe each such condition and, if applicable, may state that, at the Company's discretion, the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, may be delayed until such time as any or all such conditions shall be satisfied or waived, or such redemption may not occur and such Make Whole Notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Company in its sole discretion) by the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, or by the Optional Dissolution Call Date or Optional Dissolution Partial Call Date as so delayed.

If any of the Reference Dealers cease to be a primary dealer in the Benchmark Security, the Trustee and the Company will substitute such bank with another bank and "Reference Dealers" shall be construed accordingly.

(e) **Dissolution at the Option of the Certificateholders**

(i) **Optional Dissolution Right (Put Option)**

If the Optional Dissolution Right (Put Option) is specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable), the Trustee shall, at the option of the holder of any Wakala Series Certificate, upon such holder of such Wakala Series Certificate giving a Put Notice in accordance with Wakala Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*) giving not less than 15 nor more than 30 days' notice, or such other notice period as may be specified in the applicable Final Terms (or Pricing Supplement, as applicable) (the "**Optional Put Period**") to the Trustee, redeem such Wakala Series Certificate on the Optional Dissolution Partial Put Date at its Optional Dissolution Amount.

Notwithstanding the previous paragraph, if the holder of every Wakala Series Certificate outstanding in a Wakala Series delivers a Put Notice within the Optional Put Period in accordance with Wakala Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*) (unless prior to the giving of the relevant Put Notice the Trustee has given notice of redemption under Wakala Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*)), the Trustee will redeem the Wakala Series Certificates at the Final Dissolution Amount on the Periodic Distribution Date immediately following the expiry of the Optional Put Period (the "**Optional Dissolution Put Date**").

Upon redemption of all of the Wakala Series Certificates of the relevant Wakala Series in accordance with this Wakala Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) and payment in full of the Final Dissolution Amount payable the Wakala Series Trust will be dissolved, the Wakala Series Certificates shall cease to represent undivided ownership interests in the Wakala Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For *Shari'a* reasons, the Optional Dissolution Right (Call Option) and the Optional Dissolution Right (Put Option) cannot both be specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable) in respect of any single Wakala Series.



(ii) **Change of Control Put Option**

If Change of Control Put Option is specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable) and if a Change of Control Event occurs, the Trustee will, upon the holder of any Wakala Series Certificate giving a Put Notice in accordance with Wakala Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*) within the Change of Control Put Period redeem such Wakala Series Certificate on the Change of Control Put Option Date at the Change of Control Amount.

Notwithstanding the previous paragraph, if the holder of every Wakala Series Certificate outstanding in a Wakala Series delivers a Put Notice within the Change of Control Put Period in accordance with Wakala Series Condition 11(e)(iii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Put Notice*) (unless prior to the giving of the relevant Put Notice the Trustee has given notice of redemption under Wakala Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) or Wakala Series Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*)), the Trustee will redeem the Wakala Series Certificates at the Final Dissolution Amount on the Periodic Distribution Date immediately following the expiry of the Change of Control Put Period (the "**Change of Control Full Put Date**").

Immediately upon the Company becoming aware that a Change of Control Event has occurred, it shall give notice to the Trustee. The Trustee shall, upon receipt of such notice from the Company, and, at any time following the occurrence of a Change of Control Event, the Trustee, if so requested by the holders of at least one-fifth in face amount of the Wakala Series Certificates then outstanding or if so directed by an Extraordinary Resolution, shall, give notice to the Wakala Series Certificateholders (a "**Change of Control Notice**") in accordance with Wakala Series Condition 19 (*Notices*) specifying the nature of the Change of Control Event.

Upon redemption of all of the Wakala Series Certificates of the relevant Wakala Series in accordance with this Wakala Series Condition 11(e)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*) and payment in full of the Final Dissolution Amount, the Wakala Series Trust will be dissolved, the Wakala Series Certificates shall cease to represent undivided ownership interests in the Wakala Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

Neither the Trustee nor the Delegate is under any obligation to ascertain whether a Change of Control Event or any event which could lead to the occurrence of or could constitute a Change of Control Event has occurred and, until it shall have actual knowledge or notice to the contrary, the Trustee may assume that no Change of Control Event or other such event has occurred.

(iii) **Put Notice**

To exercise any option pursuant to Wakala Series Condition 11(e)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) or Wakala Series Condition 11(e)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*), the holder of the Wakala Series Certificate must, if the Wakala Series Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg or DTC, deposit the Wakala Series Certificate with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Put Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as

applicable) within the relevant period. No Wakala Series Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Trustee.

(f) **Dissolution following a Total Loss Event**

The Trustee shall, upon receipt of notice from the Company or otherwise becoming aware of the occurrence of a Total Loss Event, unless the Real Estate Assets forming part of the relevant Wakala Portfolio have been replaced in accordance with the Wakala Series Service Agency Agreement, redeem the Wakala Series Certificates in whole, but not in part, by no later than the close of business on the 31st day after the occurrence of the Total Loss Event (the "**Total Loss Dissolution Date**") at the Final Dissolution Amount.

Upon redemption of all of the Wakala Series Certificates outstanding of the relevant Wakala Series in accordance with this Wakala Series Condition 11(f) (*Capital Distributions of the Trust – Dissolution following a Total Loss Event*) and payment in full of the Final Dissolution Amount, the Wakala Series Trust will be dissolved, the Wakala Series Certificates shall cease to represent undivided ownership interests in the Wakala Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(g) **Dissolution following a Dissolution Event**

Upon the occurrence of a Dissolution Event the Wakala Series Certificates may be redeemed at the Final Dissolution Amount on the Dissolution Event Redemption Date and the Wakala Series Trust will be dissolved by the Trustee, as more particularly specified in Wakala Series Condition 15 (*Dissolution Events*).

Upon redemption of all of the Wakala Series Certificates outstanding of the relevant Wakala Series in accordance with this Wakala Series Condition 11(f) (*Capital Distributions of the Trust – Dissolution following a Dissolution Event*) and payment in full of the Final Dissolution Amount, the Wakala Series Trust will be dissolved, the Wakala Series Certificates shall cease to represent undivided ownership interests in the Wakala Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(h) **No Other Dissolution**

The Trustee shall not be entitled to redeem the Wakala Series Certificates, and the Trustee shall not be entitled to dissolve the Wakala Series Trust otherwise than as provided in this Wakala Series Condition 11 (*Capital Distributions of the Trust*), Wakala Series Condition 14(c) (*Purchase and Cancellation of Certificates – Dissolution of the Trust upon cancellation of all outstanding Certificates in a Series*) and Wakala Series Condition 15 (*Dissolution Events*).

(i) **Cancellations**

All Wakala Series Certificates which are redeemed will forthwith be cancelled and accordingly may not be held, reissued or resold.

(j) **Effect of payment in full of Final Dissolution Amount**

Upon payment in full of the Final Dissolution Amount, together with accrued and unpaid Periodic Distribution Amounts, and the termination of the Wakala Series Trust, the Wakala Series Certificates shall cease to represent an undivided ownership interest in the relevant Wakala Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

12. **TAXATION**

All payments by or on behalf of the Trustee in respect of the Wakala Series Certificates shall be made free and clear of, and without withholding or deduction for, or on account of, any present or

future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction ("**Taxes**") (which expression shall take the same meaning for the purposes of this Wakala Series Condition 12 (*Taxation*) as it takes for the purposes of Wakala Series Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*)) or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as shall result in receipt by the Wakala Series Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Wakala Series Certificate:

(a) **Presentation in Relevant Jurisdiction**

presented for payment in a Relevant Jurisdiction; or

(b) **Other connection**

to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of such Wakala Series Certificate by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Wakala Series Certificate; or

(c) **Presentation/surrender more than 30 days after the Relevant Date**

presented or (if applicable) surrendered (or (if applicable) in respect of which the relevant Wakala Series Certificate is presented or (if applicable) surrendered) for payment more than 30 days after the Relevant Date (defined below) except to the extent that the holder thereof would have been entitled to such additional amounts on presenting or, as the case may be, surrendering it for payment on such thirtieth day.

Notwithstanding anything to the contrary in these Wakala Series Conditions, the Trustee, the Company, any paying agent and any other person shall be permitted to withhold and deduct, and shall not be required to pay any additional amounts with respect to, any withholding or deduction imposed on or with respect to any Wakala Series Certificate pursuant to FATCA, any treaty, law, regulation or other official guidance implementing FATCA, or any agreement (or related guidance) between the Trustee, the Company, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA.

As used in these Wakala Series Conditions, "**Relevant Date**" in respect of any Wakala Series Certificate means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Wakala Series Certificateholders that, upon further presentation or, as the case may be, surrender of the Wakala Series Certificate being made in accordance with the Wakala Series Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

The Wakala Series Service Agency Agreement, the Wakala Series Purchase Undertaking and the form of Wakala Series Sale Agreement to be entered into pursuant to the Wakala Series Sale Undertaking each provide that payments thereunder by the Company shall be made without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment by the Company of additional amounts so that the full amount which would otherwise have been due and payable is received by the Trustee.

13. **PRESCRIPTION**

Claims against the Trustee or the Company for payment in respect of the Wakala Series Certificates shall be prescribed and become void unless made within 10 years (in the case of the Dissolution Amount or Partial Dissolution Amount, as the case may be) or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date in respect of them.

14. **PURCHASE AND CANCELLATION OF CERTIFICATES**

(a) **Purchases**

The Company and any Subsidiary may at any time purchase Wakala Series Certificates in the open market or otherwise at any price. Wakala Series Certificates so purchased, while held by or on behalf of the Company or any Subsidiary, shall not entitle the holder to vote at any meeting of the Wakala Series Certificateholders and shall not be deemed to be outstanding for the purposes of calculating the quorum at any meeting of Wakala Series Certificateholders or for the purposes of Wakala Series Condition 14(b) (*Purchase and Cancellation of Certificates – Cancellation of Certificates held by the Company and/or any of its Subsidiaries*).

(b) **Cancellation of Certificates held by the Company and/or any of its Subsidiaries**

All Wakala Series Certificates purchased by or on behalf of the Company or any Subsidiary may be surrendered for cancellation by surrendering the Wakala Series Certificate to the Issuing and Paying Agent for cancellation by or on behalf of the Trustee, and, in each case, if so surrendered, shall, together with all Wakala Series Certificates redeemed by the Company, be cancelled forthwith. The Wakala Series Sale Undertaking may be exercised by the Company in respect of the transfer of the Trustee's rights, title, interests, benefits and entitlements in, to and under Wakala Assets with an aggregate value no greater than the aggregate face amount of the Wakala Series Certificates so delivered to the Issuing and Paying Agent for cancellation by or on behalf of the Trustee and, upon such cancellation, the Trustee will transfer those Wakala Assets to the Company. Any Wakala Series Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Trustee in respect of any such Wakala Series Certificates shall be discharged.

(c) **Dissolution of the Trust upon cancellation of all outstanding Certificates in a Series**

In the event that the Company and/or any of its Subsidiaries purchase all the outstanding Wakala Series Certificates in a Wakala Series and all such Wakala Series Certificates are subsequently cancelled by or on behalf of the Trustee, the relevant Wakala Series Trust will be dissolved and the Wakala Series Certificates shall cease to represent an undivided ownership interest in the relevant Wakala Series Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

15. **DISSOLUTION EVENTS**

Upon the occurrence of any of the following events (each a "**Dissolution Event**"):

- (a) **Non-payment:** default is made in the payment of any Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount due in respect of the Wakala Series Certificates or any of them and the default continues for a period of seven days in the case of any Dissolution Amount or Partial Dissolution Amount and 14 days in the case of any Periodic Distribution Amount; or
- (b) **Breach of other obligations:** the Trustee defaults in the performance or observance of or compliance with any of its other obligations or undertakings under these Wakala Series Conditions or the Wakala Series Transaction Documents to which it is a party and such default is not capable of remedy (in the opinion of the Delegate) or (if capable of remedy (in the opinion of the Delegate)) is not remedied within 30 days after written notice of such default shall have been given to the Trustee by the Delegate; or
- (c) **DP World Event:** a DP World Event occurs; or
- (d) **Repudiation:** the Trustee repudiates any Wakala Series Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Wakala Series Transaction Document to which it is a party; or

- (e) **Illegality:** at any time it is or will become unlawful or impossible for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its obligations under the Wakala Series Transaction Documents or any of the obligations of the Trustee under the Wakala Series Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (f) **Insolvency:** either: (i) the Trustee becomes insolvent or is unable to pay its financial obligations as they fall due; (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); (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, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Delegate or by an Extraordinary Resolution of the Wakala Series Certificateholders; or
- (g) **Winding-up:** an order or decree is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Trustee; or
- (h) **Analogous event:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (f) and (g) above,

provided that, in the case of paragraphs (b) and (e) above, the Delegate shall have certified in writing to the Trustee that in its opinion such event is materially prejudicial to the interests of the Wakala Series Certificateholders, the Delegate shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, and having been notified in writing of or otherwise determining that (such determination by the Delegate to be in its absolute discretion) such Dissolution Event has occurred, give notice in writing of the occurrence of such Dissolution Event to the Wakala Series Certificateholders in accordance with Wakala Series Condition 19 (*Notices*) with a request to such holders to indicate if they wish the Wakala Series Trust to be dissolved. Following the issuance of such notice the Delegate may, or if so requested in writing by the holders of at least one-fifth of the then aggregate face amount of the Wakala Series outstanding or if so directed by an Extraordinary Resolution of the Wakala Series Certificateholders (a "**Dissolution Request**"), shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Trustee and the Company of the Dissolution Request and, upon receipt of such notice, the Trustee or the Delegate, in the name of the Trustee, shall exercise its rights under the Wakala Series Purchase Undertaking and the Trustee or the Delegate, in the name of the Trustee, shall distribute to the Wakala Series Certificateholders the proceeds of the resultant sale and liquidation credited to the relevant Wakala Series Transaction Account in accordance with the Wakala Series Service Agency Agreement and the Wakala Series Certificates shall be redeemed at the Final Dissolution Amount on the date specified in such notice (the "**Dissolution Event Redemption Date**") and the Wakala Series Trust shall be dissolved on the day after the last outstanding Wakala Series Certificate has been redeemed.

For the purposes of this Wakala Series Condition 15 (*Dissolution Events*), a "**DP World Event**" will occur if one or more of the following events occurs:

- (1) **Non-payment:** in respect of a Wakala Series, the Company (acting in any capacity) fails to pay:
  - (x) an amount payable by it pursuant to any Wakala Series Transaction Document to which it is a party which corresponds to all or a part of a Periodic Distribution Amount payable by the Trustee on a Periodic Distribution Date and the failure continues for a period of 14 days; or
  - (y) an amount payable by it pursuant to any Wakala Series Transaction Document to which it is a party which corresponds to all or a part of a Dissolution Amount or Partial Dissolution Amount payable by the Trustee on a Dissolution Date or

Partial Dissolution Date (as the case may be) and the failure continues for a period of seven days; or

- (2) *Breach of other obligations*: the Company does not perform or comply with any one or more of its other obligations under the Wakala Series Transaction Documents to which it is a party which default is not capable of remedy (in the opinion of the Delegate) or, if capable of remedy (in the opinion of the Delegate), is not remedied within 30 days after written notice of such default shall have been given to the Company by the Delegate; or
- (3) *Cross-acceleration*: (x) any other present or future indebtedness of the Company or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described); or (y) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or (z) the Company or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any applicable grace period any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, save in each case where the liability in respect of the relevant indebtedness, guarantee or indemnity is being contested by the Company or such Material Subsidiary, as the case may be, in good faith and by all appropriate means and provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (3) have occurred equals or exceeds U.S.\$50,000,000 or its equivalent (as determined by the Delegate on the basis of the middle spot rate for the relevant currency against the U.S. dollar as determined by any leading bank on the day on which this paragraph falls to be applied); or
- (4) *Enforcement proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or (in the opinion of Delegate) a material part of the property, assets or revenues of the Company or any of its Material Subsidiaries and is not discharged, withdrawn or stayed within 60 days; or
- (5) *Security enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its Material Subsidiaries in respect of all or (in the opinion of the Delegate) a material part of the property, assets or revenues of the Company or such Material Subsidiary, as the case may be, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person); or
- (6) *Insolvency*: the Company or any of its Material Subsidiaries is (or is deemed by a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Delegate) a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Company or any of its Material Subsidiaries; or
- (7) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution of the Company or any of its Material Subsidiaries or the Company or any of its Material Subsidiaries ceases or threatens to cease, or is required to cease, to carry on all or (in the opinion of the Delegate) substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation: (x) on terms approved by the Delegate or by an Extraordinary Resolution of the Wakala Series Certificateholders; or (y) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in another Subsidiary; or
- (8) *Authorisation and consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order: (x) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations in respect of the Wakala Series Certificates and under the

Wakala Series Transaction Documents to which it is a party to which it is a party; (y) to ensure that those obligations are legally binding and enforceable; and (z) to make the Wakala Series Certificates and the Wakala Series Transaction Documents to which it is a party admissible in evidence in the courts of the United Arab Emirates or the Emirate of Dubai, is not taken, fulfilled or done; or

- (9) *Illegality*: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Wakala Series Transaction Documents to which it is a party; or
- (10) *Analogous event*: any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,

provided that (other than in the case of paragraphs (1), (2), (6) and (7) (to the extent it relates to the winding-up or dissolution of the Company)) the Delegate shall have certified that in its opinion such event is materially prejudicial to the interests of the Wakala Series Certificateholders.

## 16. ENFORCEMENT AND EXERCISE OF RIGHTS

### (a) Enforcement

Upon the occurrence of a Dissolution Event, to the extent any amount payable in respect of the Wakala Series Certificates has not been paid in full, the Trustee or the Delegate (subject to the Delegate being indemnified and/or secured and/or prefunded to its satisfaction), may (acting for the benefit of the Wakala Series Certificateholders) take one or more of the following steps:

- (i) enforce the provisions of the Wakala Series Purchase Undertaking, the Wakala Series Service Agency Agreement and any other Wakala Series Transaction Documents in accordance with their terms; and/or
- (ii) take such other actions, steps or proceedings as the Trustee or the Delegate may consider necessary to recover amounts due to the Wakala Series Certificateholders.

### (b) Extinguishment of Rights

Following the enforcement, realisation of the Wakala Series Certificates and ultimate distribution of the net proceeds of the relevant Wakala Series Trust Assets in respect of the Wakala Series Certificates to the Wakala Series Certificateholders in accordance with these Wakala Series Conditions and the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the obligations of the Trustee in respect of the Wakala Series Certificates shall be satisfied and the right of the Wakala Series Certificateholders to receive any further sums shall be extinguished. Following which, neither the Trustee nor the Delegate shall be liable for any such sums and, accordingly, Wakala Series Certificateholders may not take any action against the Trustee, the Delegate, the Agents or any other person (including the Company) to recover any such sum or asset in respect of the relevant Wakala Series Certificates or the Wakala Series Trust Assets. In particular, no holder of the Wakala Series Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

### (c) Entitlement to Proceed Directly

No Wakala Series Certificateholder shall be entitled to proceed directly against the Trustee or to provide instructions to the Trustee to proceed directly against the Company in each case under any Wakala Series Transaction Document to which either of them is a party unless the Delegate: (i) fails to do so within a reasonable time becoming so bound and such failure its continuing; or (ii) is unable by reason of an order of a court having competent jurisdiction to do so and such inability is continuing. Under no circumstances shall the Delegate or any Wakala Series Certificateholder have any right to cause the sale or other disposition of any of the relevant Wakala Series Trust Assets and the sole right of the Delegate and the Wakala Series Certificateholders against the Trustee and/or the

Company shall be to enforce their respective obligations under the Wakala Series Transaction Documents.

(d) **Trustee and Delegate Not Bound to Act**

Subject to Wakala Series Condition 16(b) (*Enforcement and Exercise of Rights – Extinguishment of Rights*), neither the Trustee nor the Delegate shall be bound in any circumstances to take any action to enforce or to realise the relevant Wakala Series Trust Assets or take any action against, in the case of the Delegate only, the Trustee and/or, in the case of the Trustee or the Delegate, the Company under any Wakala Series Transaction Document to which either of the Trustee or the Company is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least one-fifth of the then outstanding aggregate face amount of the Wakala Series Certificates of the relevant Wakala Series and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and provided that neither the Trustee nor the Delegate shall be held liable for the consequences of exercising or not exercising its discretion or taking or not taking any such action and may do so without having regard to the effect of such action or the failure to take action on individual Wakala Series Certificateholders.

17. **REPLACEMENT OF CERTIFICATES**

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

18. **FURTHER ISSUES**

In respect of any Wakala Series, the Trustee may from time to time without the consent of the Wakala Series Certificateholders create and issue additional Wakala Series Certificates having the same terms and conditions as the outstanding Wakala Series Certificates of such Wakala 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 such further issue shall be consolidated and form a single series with any outstanding Wakala Series Certificates of such Wakala Series. Any additional Wakala Series Certificates which are to form a single Wakala Series with the outstanding Wakala Series Certificates of a particular Wakala Series shall be constituted by a deed supplemental to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust. References in these Wakala Series Conditions to the Wakala Series Certificates include (unless the context requires otherwise) any other Wakala Series Certificates issued pursuant to this Wakala Series Condition 18 (*Further Issues*) and forming a single series with such Wakala Series Certificates.

19. **NOTICES**

Notices to the holders of Wakala Series Certificates shall be mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Any such notice will be deemed to have been given on the first date of such publication. Notices to Wakala Series Certificateholders shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the "*Financial Times*"). If in the opinion of the Trustee 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. The Trustee



shall also ensure that notices are duly published in a manner that complies with any other relevant rules of any stock exchange or other relevant authority on which the Wakala Series Certificates are for the time being or by which they have for the time being admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

*Until such time as any Definitive Wakala Series Certificates are issued, there may, so long as the Global Wakala Series Certificate representing the Wakala Series Certificates is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Wakala Series Certificates. Any such notice shall be deemed to have been given to the holders of the Wakala Series Certificates on the third day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.*

20. **MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

(a) **Meetings of Certificateholders**

The Master Declaration of Trust contains provisions for convening meetings of Wakala Series Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Wakala Series Conditions or any provisions of the Master Declaration of Trust. Such a meeting may be convened by Wakala Series Certificateholders holding not less than 10 per cent. in aggregate face amount of the Wakala Series Certificates of a Wakala Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in aggregate face amount of the Wakala Series Certificates of a Wakala Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Wakala Series Certificateholders whatever the outstanding face amount of the Wakala Series Certificates held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*; (i) to amend the relevant Scheduled Dissolution Date, any Partial Dissolution Date or any Periodic Distribution Date or Periodic Distribution Amounts on the Wakala Series Certificates; (ii) to reduce or cancel any amount payable in respect of the Wakala Series Certificates; (iii) to reduce the rate or rates of profit in respect of the Wakala Series Certificates or to vary the method or basis of calculating the rate or rates of profit or the basis for calculating any Periodic Distribution Amounts in respect of the Wakala Series Certificates (other than as set out in Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*)); (iv) if a Minimum and/or a Maximum Dissolution Amount is specified in the applicable Final Terms (or Pricing Supplement, as applicable), to reduce any such Minimum and/or Maximum Dissolution Amount; (v) to vary any method of, or basis for, calculating the Partial Dissolution Amount, the Final Dissolution Amount, the Tax Redemption Amount, the Optional Dissolution Amount, the Change of Control Amount or the Make Whole Amount; (vi) to vary the currency or currencies of payment or denomination of the Wakala Series Certificates, (vii) to modify the provisions concerning the quorum required at any meeting of Wakala Series Certificateholders or the majority required to pass the Extraordinary Resolution; or (viii) to change the governing law of the Wakala Series Certificates, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate face amount of the Wakala Series Certificates for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Wakala Series Certificateholders (whether or not they were present at the meeting at which such resolution was passed).

The Master Declaration of Trust provides that a resolution may be in writing signed by or on behalf of the Wakala Series Certificateholders holding not less than 90 per cent. in aggregate face amount of the Wakala Series Certificates outstanding (a "**Written Resolution**"). Such Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Wakala Series

Certificateholders. Further, the Master Declaration of Trust provides that, where the Wakala Series Certificates are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Trustee, the Company or the Delegate (as the case may be) may be given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Issuing and Paying Agent or another specified agent and/or the Delegate in accordance with the operating rules and procedures of the relevant clearing system(s) by or on behalf of the holders of not less than 90 per cent. in aggregate face amount of the Wakala Series Certificates then outstanding (an "**Electronic Consent**"). Any Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution and will be binding on all Wakala Series Certificateholders whether or not they participated in such Written Resolution or Electronic Consent.

(b) **Modification of the Declaration of Trust and Waiver**

The Master Declaration of Trust, any Supplemental Declaration of Trust and any other Wakala Series Transaction Document may only be amended by the Trustee with the consent of the Delegate and the Delegate may, without the consent of the Wakala Series Certificateholders: (i) agree to any modification of any of the provisions of the Master Declaration of Trust, any Supplemental Declaration of Trust and any other Wakala Series Transaction Document that is, in the opinion of the Delegate of a formal, minor or technical nature or made to correct a manifest error; or (ii) agree to any other modification (other than in respect of a Reserved Matter or any provision of the Master Declaration of Trust referred to in the definition of a Reserved Matter), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Master Declaration of Trust, any Supplemental Declaration of Trust or any other Wakala Series Transaction Document; and (iii) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such if in the case of paragraphs (ii) and (iii) above, in the opinion of the Delegate it is not materially prejudicial to the interests of the Wakala Series Certificateholders. Any such modification, authorisation or waiver shall be binding on the Wakala Series Certificateholders and such modification shall be notified by the Trustee to the Wakala Series Certificateholders in accordance with Wakala Series Condition 19 (*Notices*) as soon as practicable.

In addition, subject to Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), the Trustee, the Delegate and the Agents shall be obliged to agree to such modifications to these Wakala Series Conditions and the Wakala Series Transaction Documents as may be required in order to give effect to Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) in connection with effecting any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes referred to in Wakala Series Condition 9(e) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) without the requirement for the consent or approval of the Wakala Series Certificateholders.

(c) **Entitlement of the Delegate**

In connection with the exercise by it of any of its powers, trusts, authorities and discretions under the Master Declaration of Trust (including, without limitation, any modification) in respect of a Wakala Series, the Delegate shall have regard to the general interests of the Wakala Series Certificateholders as a class and shall not have regard to any interest arising from circumstances particular to individual Wakala Series Certificateholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Wakala Series Certificateholders (whatever their number) resulting from them being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof or taxing jurisdiction and the Delegate shall not be entitled to require, nor shall any Wakala Series Certificateholder be entitled to claim from the Trustee, the Delegate, the Company or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Wakala Series Certificateholders (except, in the case of the Trustee and the Company, to the extent already provided for in Wakala Series Condition 12 (*Taxation*)).

21. **THE DELEGATE**

The Trustee has in the Master Declaration of Trust irrevocably and unconditionally appointed the Delegate to be its attorney and in its name and on its behalf and as its act and deeds:

- (a) to execute, deliver and perfect all documents;
- (b) to exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, authorities (including, but not limited to, the authority to request directions from any Wakala Series Certificateholders and the power to make any determinations to be made under the Wakala Series Transaction Documents) and discretions vested in the Trustee by the relevant Declaration of Trust, that the Delegate may consider to be necessary or desirable in order, upon the occurrence of a Dissolution Event or Potential Dissolution Event, to exercise all of the rights of the Trustee under the Wakala Series Purchase Undertaking, the Wakala Series Service Agency Agreement and the relevant Wakala Series Transaction Documents; and
- (c) make such distributions from the relevant Wakala Series Trust Assets as the Trustee is bound to make in accordance with the relevant Declaration of Trust,

(together the "**Delegation**" of the "**Relevant Powers**"),

provided that,

- (i) no obligations, duties, Liabilities or covenants of the Trustee pursuant to the relevant Declaration of Trust or any other Wakala Series Transaction Document shall be imposed on the Delegate by virtue of this delegation;
- (ii) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust the relevant Wakala Series Trust Assets; and
- (iii) such Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion to hold any of the relevant Wakala Series Trust Assets, to dissolve any of the trusts constituted by the relevant Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate.

The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the relevant Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Master Declaration of Trust.

The appointment of a delegate by the Trustee is intended to be in the interests of the Wakala Series Certificateholders and the Manafae Series Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

The Master 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. In particular, in respect of a Wakala Series, in connection with the exercise of any of its rights in respect of the relevant Wakala Series Trust Assets or any other right it may have pursuant to the Master Declaration of Trust, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Wakala Series Condition 16 (*Enforcement and Exercise of Rights*), and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Company under the Wakala Series Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Wakala Series Certificateholders in respect of any payments which should

have been paid by the Company but are not so paid and shall not in any circumstances have any liability arising from the relevant Wakala Series Trust Assets other than as expressly provided in these Wakala Series Conditions or in the relevant Declaration of Trust.

The Delegate may rely on any certificate or report of the auditors or insolvency officials (as applicable) of the Trustee, the Company or any other person called for by or provided to the Delegate (whether or not addressed to the Delegate) in accordance with or for the purposes of the Master Declaration of Trust or the other Wakala Series Transaction Documents and such certificate or report may be relied upon by the Delegate as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Delegate in connection therewith contains a monetary or other limit on the liability of the auditors of the Trustee, the Company or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by an engagement or similar letter or by the terms of the certificate or report itself and the Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

Nothing shall, in any case where the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Master Declaration of Trust conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Master Declaration of Trust and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for wilful default or actual fraud of which either of them may be guilty in relation to their duties under the relevant Declaration of Trust.

22. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Wakala Series Certificates under the Contracts (Rights of Third Parties) Act 1999.

23. **GOVERNING LAW AND DISPUTE RESOLUTION**

(a) **Governing Law**

The Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust (including these Wakala Series Conditions), the Agency Agreement and the Wakala Series Certificates, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and shall be construed in accordance with, English law.

(b) **Arbitration**

Without limiting the rights of the Delegate under Wakala Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*), any dispute, claim, difference or controversy arising out of, relating to, or having any connection with the Master Declaration of Trust (including these Wakala Series Conditions) and/or the Wakala Series Certificates (including any dispute regarding their existence, validity, interpretation, performance, breach or termination 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 under the London Court of International Arbitration ("**LCIA**") Rules (the "**Rules**"), which rules (as amended from time to time) are deemed to be incorporated by reference into this Wakala Series Condition 23(b) (*Governing Law and Dispute Resolution – Arbitration*). For these purposes:

- (i) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party to the Dispute and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of

claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA;

- (ii) the seat of arbitration shall be London, England; and
- (iii) the language of the arbitration shall be English.

(c) **Jurisdiction**

Notwithstanding Wakala Series Condition 23(b) (*Governing Law and Dispute Resolution – Arbitration*), the Delegate (or, but only where permitted to take action in accordance with the terms of the Master Declaration of Trust, any Wakala Series Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and the Company require that a dispute be heard by the courts of England.

If the Delegate (or any Wakala Series Certificateholder) gives such notice, the Dispute to which such notice refers shall be determined in accordance with this Wakala Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*) and, subject as provided below, any arbitration commenced under Wakala Series Condition 23(b) (*Governing Law and Dispute Resolution – Arbitration*) in respect of that Dispute will be terminated. Each person who gives such notice and the recipient of that notice will bear its own costs in relation to the terminated arbitration.

If any notice to terminate is given after service of any Request for Arbitration (as defined in the Rules) in respect of any Dispute, the Delegate (or the relevant Wakala Series Certificateholder) must also within 28 days of service of a Request for Arbitration give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (ii) his entitlement to be paid his proper fees and disbursements; and
- (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

If notice is delivered to the Trustee and the Company in accordance with this Wakala Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*), the courts of England are to have jurisdiction to settle any such dispute and accordingly any legal action or proceedings arising out of or in connection with any Wakala Series Certificates ("**Proceedings**") may be brought in such courts.

Each of the Trustee and the Company has in the Master Declaration of Trust irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient or inappropriate forum.

This Wakala Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*) is for the benefit of the Delegate, for and on behalf of the Wakala Series Certificateholders, only. As a result, and notwithstanding the remainder of this Wakala Series Condition 23(c) (*Governing Law and Dispute Resolution – Jurisdiction*), the Delegate may bring Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Delegate may take concurrent Proceedings in any number of jurisdictions.

(d) **Service of Process**

Each of the Trustee and the Company has in the Master Declaration of Trust irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

(e) **Waiver**

The Company has in the Master Declaration of Trust irrevocably agreed that, should any Proceedings be taken anywhere (whether for any injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) in relation to those Proceedings (including without limitation, immunity from the jurisdiction of any court or tribunal, suit, service of process, injunctive or other interim relief, any order for specific performance, any order for recovery of land, any attachment (whether in aid of execution, before judgment or otherwise) of its assets, any process for execution of any award or judgment or other legal process) shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Company irrevocably agrees that it and its assets (irrespective of its use or intended use) are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Wakala Series Transaction Documents to which it is a party. Notwithstanding the foregoing, the Company makes no representation as to whether Dubai Law No. 10 of 2005 (*Government Lawsuits Amendment*) and/or Article 106 of Cabinet Resolution 57 of 2018 will apply to its assets, revenue or property.

(f) **Consent**

Each of the Trustee and the Company has in the Master Declaration of Trust irrevocably and generally consented in respect of any Proceedings anywhere to the giving of any relief or the issue of any process in connection with those Proceedings including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those Proceedings.

## USE OF PROCEEDS

The proceeds of each Series of Certificates issued under the Programme will be paid by the Trustee to the Company: (1) in the case of the Manafae Series Certificates, in accordance with the terms of the relevant Manafae Transaction Documents, as consideration for the purchase by the Trustee of the relevant Throughput Services specified in the Manafae Series Supplemental Purchase of Services Agreement in respect of such Series and (in the case of any subsequent Tranche of such Series) the relevant Tap Throughput Services pursuant to the Manafae Series Supplemental Purchase of Services Agreement; and (2) in the case of Wakala Series Certificates, in accordance with the terms of the relevant Wakala Transaction Documents in the following proportion: (i) the Tangible Asset Percentage (being not less than 51 per cent. of the aggregate face amount of the Wakala Series Certificates of such Tranche) towards the purchase from the Company of all of the Company's rights, title, interests, benefits and entitlements in, to and under (in the case of the first Tranche of the relevant Series of Certificates) the relevant Initial Asset Portfolio and (in the case of any subsequent Tranche of such Series) the relevant Additional Assets pursuant to the Master Purchase Agreement; and (ii) the Murabaha Percentage (being not more than 49 per cent.) of the aggregate face amount of the Certificates of such Tranche towards the purchase of commodities to be sold to the Company pursuant to the Master Murabaha Agreement.

The Company will apply the amounts received by it for general corporate purposes, including the refinancing of any indebtedness, or as otherwise described in the applicable Final Terms (or Pricing Supplement, as applicable).

## DESCRIPTION OF THE TRUSTEE

### Registered Office

The registered office of the Trustee is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the telephone number of the registered office is +1 345 949 1040.

### Date of Incorporation and legal form

The Trustee, an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 14 April 2016 under the Companies Law (2018 Revision), as amended, of the Cayman Islands, with company registration number 310423.

The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 shares of U.S.\$1.00 each, of which 100 shares are fully paid up and issued. All of the issued shares of the Trustee (the "**Shares**") are held by Conyers Trust Company (Cayman) Limited as share trustee (the "**Share Trustee**") in its capacity as trustee of a purpose trust, including charitable purposes, formed pursuant to the terms of a declaration of trust (the "**Share Declaration of Trust**") dated 14 April 2016 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust). Prior to the Termination Date, the trust is a purpose trust, but the Share Trustee has the power to benefit Charities (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

### Purpose and Business Activity

The objects for which the Trustee has been incorporated (as set out in its Memorandum of Association) are unrestricted and the Trustee has full power and authority to carry out any objects not prohibited by the laws of the Cayman Islands. The Trustee has been established to raise capital for the Company by the issue of the Certificates.

The Trustee has been incorporated to act as a special purpose vehicle in connection with the issuance of the Certificates, and consequently it does not have any employees or own any physical assets.

The Trustee does not engage in, and has not, since its incorporation, engaged in, any activities other than those incidental to: (i) its registration and maintenance as an exempted company in the Cayman Islands; (ii) the authorisation of the establishment of the Programme, the updates thereof and issue of any Certificates under the Programme; (iii) the ownership of such interests and other assets referred to herein; (iv) the other matters contemplated in this Base Prospectus; (v) the authorisation and execution of the other documents referred to in this Base Prospectus to which it is or will be a party; and (vi) other matters which are incidental or ancillary to those activities.

The Trustee's ongoing activities will principally comprise: (i) the issue of Certificates under the Programme; (ii) the entering into of any documents related to the establishment of the Programme, any subsequent updates thereof and any issue of Certificates thereunder; and (iii) the exercise of related rights and powers, the performance of obligations and other activities referred to in this Base Prospectus or reasonably incidental to those activities.

The Trustee does not have subsidiaries or employees.

Since the date of its incorporation, the Trustee has not carried out any operations and no financial statements of the Trustee have been prepared. The Trustee is a special purpose vehicle and is not required by Cayman Islands law, and does not intend, to publish audited financial statements or accounts.

### Directors of the Trustee

The directors of the Trustee and their respective business addresses and principal activities are as follows.



<u>Name</u>	<u>Principal Occupation</u>
Mr. Yuvraj Narayan .....	Group Chief Financial Officer, DP World PLC
Mr. Kevin Butler .....	Partner at Conyers Dill & Pearman

The business address of Mr. Yuvraj Narayan is c/o DP World Head Office, 5<sup>th</sup> Floor, LOB 17, Jebel Ali Free Zone, P.O. Box 17000, Dubai, United Arab Emirates.

The business address of Mr. Kevin Butler is at the offices of Conyers Dill & Pearman, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

There are no potential conflicts of interest between the private interests or other duties of the directors listed above and their duties to the Trustee, save that: (i) Mr. Butler is also a Partner at Conyers Dill & Pearman, which acts as Cayman Islands legal counsel to the Trustee in connection with the Programme; and (ii) Mr. Narayan is also the Group Chief Financial Officer at DP World PLC.

### **Corporate Administration**

Conyers Trust Company (Cayman) Limited, a service provider incorporated in the Cayman Islands, acts as the secretary of the Trustee (in such capacity, the "**Trustee Administrator**"). Pursuant to the terms of a corporate services agreement dated 14 April 2016, as assigned to the Trustee Administrator with effect from 1 May 2018, between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"), the Trustee Administrator has agreed to provide or procure the provision of certain administrative functions to the Trustee, including registered office, director and alternate director, secretarial, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Trustee Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses and disbursements.

The terms of the Corporate Services Agreement provide that the Trustee Administrator may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any breach by the other party of its obligations under the Corporate Services Agreement. In addition, the Corporate Services Agreement provides that either party shall be entitled to terminate the Corporate Services Agreement by giving at least thirty days' notice in writing to the other party.

The Trustee Administrator's principal office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

## CAPITALISATION

The following table shows cash and cash equivalents, current financial indebtedness and the capitalisation of the Group (equal to total non-current financial indebtedness plus shareholders' equity) as at 30 June 2019 extracted from the DPW H1 2019 Unaudited Financial Statements.

	<b>As at 30 June 2019</b>
	<i>(U.S. dollars in thousands)</i>
<b>Cash and cash equivalents</b> .....	<b>2,049,806</b>
<b>Current financial indebtedness:</b>	
Current bank debt .....	631,222
Bonds issued .....	498,956
Other current financial debt .....	—
<b>Total current financial indebtedness</b> .....	<b>1,130,179</b>
<b>Non-current financial indebtedness:</b>	
Non-current bank debt .....	5,304,662
Bonds issued .....	7,068,982
Other non-current financial indebtedness .....	—
<b>Total non-current financial indebtedness</b> .....	<b>12,363,645</b>
<b>Equity:</b>	
Shareholders' reserve .....	6,132,655
Retained earnings .....	7,639,914
Other equity .....	(2,525,238)
Non-controlling interests .....	880,759
<b>Total equity</b> .....	<b>12,128,090</b>
<b>Total capitalisation</b> .....	<b>24,491,735</b>

There has been no material change in the capitalisation of the Group since 30 June 2019, except for the issue of U.S.\$1,000,000,000 trust certificates due 2029 and the issue of U.S.\$300,000,000 5.625 per cent. medium term notes due 2048 in July 2019.

## SELECTED FINANCIAL INFORMATION OF THE GROUP

The selected consolidated financial data of the Group: (i) as at and for the six months ended 30 June 2019 and the six months ended 30 June 2018 have been derived from the DPW H1 2019 Unaudited Financial Statements; (ii) as at and for the year ended 31 December 2018 and the year ended 31 December 2017 have been derived from the DPW 2018 Financial Statements; and (iii) as at and for the year ended 31 December 2016 have been derived from the DPW 2017 Financial Statements, in each case appearing elsewhere in this Base Prospectus.

The selected consolidated financial data set forth below should be read in conjunction with, and is qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the DPW Financial Statements. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

### Consolidated Profit and Loss Information

For the purposes of the information set out below, SDIs represent those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation to allow users to understand better the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance. See Note 8 (*Separately disclosed items*) to the DPW H1 2019 Unaudited Financial Statements, Note 9 (*Separately disclosed items*) to the DPW 2018 Financial Statements, Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements for further information regarding SDIs and "Presentation of Certain Financial and Other Information – Non-IFRS Measures, Separately Disclosed Items and Alternative Performance Measures".

	Six months ended 30 June					
	2019			2018		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	<i>(U.S. dollars in thousands)</i>					
Revenue .....	3,463,246	—	3,463,246	2,625,599	—	2,625,599
Cost of sales .....	(1,920,386)	—	(1,920,386)	(1,411,079)	—	(1,411,079)
<b>Gross profit</b> .....	<b>1,542,860</b>	<b>—</b>	<b>1,542,860</b>	<b>1,214,520</b>	<b>—</b>	<b>1,214,520</b>
General and administrative expenses...	(487,076)	(12,561)	(499,637)	(364,228)	—	(364,228)
Other income.....	17,575	—	17,575	24,701	—	24,701
Share of profit/(loss) from equity-accounted investees (net of tax) .....	86,490	—	86,490	87,853	(5,744)	82,109
<b>Results from operating activities</b> .....	<b>1,159,849</b>	<b>(68,183)</b>	<b>1,091,666</b>	<b>962,846</b>	<b>(5,744)</b>	<b>957,102</b>
Finance income	54,202	13,953	68,155	63,729	65,017	128,746
Finance costs.....	(372,627)	(18,975)	(391,602)	(292,264)	(10,906)	(303,170)
<b>Net finance costs</b> .....	<b>(318,425)</b>	<b>(5,022)</b>	<b>(323,447)</b>	<b>(228,535)</b>	<b>54,111</b>	<b>(174,424)</b>
<b>Profit before tax</b> .....	<b>841,424</b>	<b>(73,205)</b>	<b>768,219</b>	<b>734,311</b>	<b>48,367</b>	<b>782,678</b>
Income tax expense .....	(88,016)	—	(88,016)	(105,722)	—	(105,722)
<b>Profit for the period</b> .....	<b>753,408</b>	<b>(73,205)</b>	<b>680,203</b>	<b>628,589</b>	<b>48,367</b>	<b>676,956</b>
<i>Profit attributable to:</i>						
Owners of the Company..	752,619	(71,477)	681,142	593,444	48,367	641,811
Non-controlling interests.	789	(1,728)	(939)	35,145	—	35,145

	Year ended 31 December								
	2018			2017			2016		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	<i>(U.S. dollars in thousands)</i>								
Revenue .....	5,646,280	—	5,646,280	4,714,733	14,053	4,728,786	4,163,325	68,243	4,231,568
Cost of sales .....	(3,138,749)	—	(3,138,749)	(2,359,467)	(14,053)	(2,373,520)	(2,010,490)	(68,243)	(2,078,733)
<b>Gross profit</b> .....	<b>2,507,531</b>	<b>—</b>	<b>2,507,531</b>	<b>2,355,266</b>	<b>—</b>	<b>2,355,266</b>	<b>2,152,835</b>	<b>—</b>	<b>2,152,835</b>
General and administrative expenses .....	(738,233)	(56,264)	(794,497)	(693,878)	(14,699)	(708,577)	(628,411)	(776)	(629,187)
Other income .....	56,595	—	56,595	51,844	3,433	55,277	49,301	3,878	53,179
(Loss) on sale and termination of business .....	—	(3,591)	(3,591)	—	(28,234)	(28,234)	(2,966)	(12,524)	(15,490)
Share of profit/(loss) from equity-accounted investees (net of tax) .....	165,067	(9,578)	155,489	123,592	4,172	127,764	149,435	(2,957)	146,478
<b>Results from operating activities</b> .....	<b>1,990,960</b>	<b>(69,433)</b>	<b>1,921,527</b>	<b>1,836,824</b>	<b>(35,328)</b>	<b>1,801,496</b>	<b>1,720,194</b>	<b>(12,379)</b>	<b>1,707,815</b>
Finance income .....	141,328	127,916	269,244	95,540	550	96,090	100,247	47,462	147,709
Finance costs .....	(575,891)	(33,656)	(609,547)	(425,410)	(98,100)	(523,510)	(438,357)	(139,521)	(577,878)
<b>Net finance costs</b> .....	<b>(434,563)</b>	<b>94,260</b>	<b>(340,303)</b>	<b>(329,870)</b>	<b>(97,550)</b>	<b>(427,420)</b>	<b>(338,110)</b>	<b>(92,059)</b>	<b>(430,169)</b>
<b>Profit before tax</b> .....	<b>1,556,397</b>	<b>24,827</b>	<b>1,581,224</b>	<b>1,506,954</b>	<b>(132,878)</b>	<b>1,374,076</b>	<b>1,382,084</b>	<b>(104,438)</b>	<b>1,277,646</b>
Income tax expense .....	(223,607)	—	(223,607)	(144,406)	101,076	(43,330)	(122,579)	—	(122,579)
<b>Profit for the year</b> .....	<b>1,332,790</b>	<b>24,827</b>	<b>1,357,617</b>	<b>1,362,548</b>	<b>(31,802)</b>	<b>1,330,746</b>	<b>1,259,505</b>	<b>(104,438)</b>	<b>1,155,067</b>
<i>Profit attributable to:</i>									
Owners of the Company .....	1,270,116	26,365	1,296,481	1,208,517	(31,802)	1,176,715	1,126,554	(102,300)	1,024,254
Non-controlling interest .....	62,674	(1,538)	61,136	154,031	—	154,031	132,951	(2,138)	130,813

### Profit and loss data by geographic segment

	Six months ended 30 June					
	2019			2018		
	Revenue	Profit for the period	Profit for the period before separately disclosed items	Revenue	Revenue before separately disclosed items	Profit for the period before separately disclosed items
	<i>(U.S. dollars in thousands)</i>					
Middle East, Europe and Africa .....	2,508,289	1,051,822	1,057,822	1,925,174	1,844,657	741,991
Australia and Americas .....	628,938	61,425	92,497	430,467	430,467	108,603
Asia-Pacific and Indian Subcontinent .....	326,019	105,473	136,585	269,958	350,475	181,581
Head office .....	—	(538,517)	(533,496)	—	—	(355,219)
<b>Total</b> .....	<b>3,463,246</b>	<b>680,203</b>	<b>753,408</b>	<b>2,625,599</b>	<b>2,625,599</b>	<b>676,956</b>
						<b>628,589</b>

	Year ended 31 December					
	2018		2017		2016	
	Revenue	Revenue before separately disclosed items	Revenue	Revenue before separately disclosed items	Revenue	Revenue before separately disclosed items
	<i>(U.S. dollars in thousands)</i>					
Middle East, Europe and Africa .....	3,851,725	3,851,725	3,284,363	3,284,363	3,071,052	3,071,052
Australia and Americas .....	961,146	961,146	762,151	762,151	659,020	659,020
Asia-Pacific and Indian Subcontinent .....	833,409	833,409	682,272	668,219	501,496	433,253
Head office .....	—	—	—	—	—	—
<b>Total</b> .....	<b>5,646,280</b>	<b>5,646,280</b>	<b>4,728,786</b>	<b>4,714,733</b>	<b>4,231,568</b>	<b>4,163,325</b>

	Year ended 31 December					
	2018		2017		2016	
	Profit/(loss) for the year	Profit before separately disclosed items	Profit/(loss) for the year	Profit before separately disclosed items	Profit/(loss) for the year	Profit before separately disclosed items
	<i>(U.S. dollars in thousands)</i>					
Middle East, Europe and Africa .....	1,398,996	1,428,476	1,500,840	1,490,471	1,391,914	1,400,085
Australia and Americas .....	220,126	222,926	165,055	197,439	217,739	215,663
Asia-Pacific and Indian Subcontinent .	475,253	485,996	319,916	333,229	242,932	249,216
Head office.....	(736,758)	(804,608)	(655,065)	(658,591)	(697,518)	(605,459)
<b>Total .....</b>	<b>1,357,617</b>	<b>1,332,790</b>	<b>1,330,746</b>	<b>1,362,548</b>	<b>1,155,067</b>	<b>1,259,505</b>

## Consolidated Financial Position Information

	As at 30 June	As at 31 December		
	2019	2018	2017	2016
	<i>(U.S. dollars in thousands)</i>			
<b>Total non-current assets .....</b>	<b>26,351,658</b>	<b>22,143,136</b>	<b>20,668,387</b>	<b>18,532,469</b>
<i>Current assets:</i>				
Cash and cash equivalents.....	2,049,806	2,614,710	1,483,679	1,299,391
Other current assets <sup>(1)</sup> .....	1,963,612	1,755,493	961,824	872,469
<b>Total current assets .....</b>	<b>4,013,418</b>	<b>4,370,203</b>	<b>2,445,503</b>	<b>2,171,860</b>
<b>Total assets.....</b>	<b>30,365,076</b>	<b>26,513,339</b>	<b>23,113,890</b>	<b>20,704,329</b>
<b>Total equity.....</b>	<b>12,128,090</b>	<b>11,998,918</b>	<b>11,625,362</b>	<b>9,519,685</b>
<i>Non-current liabilities:</i>				
Interest bearing loans and borrowings.....	12,363,645	10,065,388	7,287,136	6,874,777
Other non-current liabilities <sup>(2)</sup> .....	2,121,481	1,680,191	1,850,012	1,764,669
<b>Total non-current liabilities.....</b>	<b>14,485,126</b>	<b>11,745,579</b>	<b>9,137,148</b>	<b>8,639,446</b>
<i>Current liabilities:</i>				
Interest bearing loans and borrowings.....	1,130,179	354,375	300,708	743,482
Accounts payable and accruals.....	2,476,898	2,305,727	1,947,781	1,663,809
Other current liabilities <sup>(3)</sup> .....	144,783	108,740	102,891	137,907
<b>Total current liabilities .....</b>	<b>3,751,860</b>	<b>2,768,842</b>	<b>2,351,380</b>	<b>2,545,198</b>
<b>Total liabilities.....</b>	<b>18,236,986</b>	<b>14,514,421</b>	<b>11,488,528</b>	<b>11,184,644</b>
<b>Total equity and liabilities .....</b>	<b>30,365,076</b>	<b>26,513,339</b>	<b>23,113,890</b>	<b>20,704,329</b>

(1) Other current assets includes inventories, properties held for development and sale, and accounts receivable and prepayments.

(2) Other non-current liabilities includes loans from non-controlling shareholders, accounts payable and accruals, deferred tax liabilities, employees' end of service benefits, and pension and post-employment benefits.

(3) Other current liabilities includes loans from non-controlling shareholders, income tax liabilities, and pension and post-employment benefits.

## Consolidated Cash Flow Information

	Six months ended 30 June		Year ended 31 December		
	2019	2018	2018	2017	2016
	<i>(U.S. dollars in thousands)</i>				
Net cash provided by operating activities.....	1,045,600	869,952	1,951,490	2,207,873	1,844,537
Net cash (used in) investing activities .....	(965,174)	(1,007,755)	(2,107,063)	(585,985)	(1,258,877)
Net cash from/(used in) financing activities.....	(640,765)	189,535	1,326,859	(1,481,385)	(701,274)
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>(560,339)</b>	<b>51,732</b>	<b>1,171,286</b>	<b>140,503</b>	<b>(115,614)</b>
Cash and cash equivalents at 1 January.....	2,614,710	1,483,679	1,483,679	1,299,391	1,436,595
Effect of exchange rate fluctuation on cashflow.....	(4,565)	(23,248)	(40,255)	43,785	(21,590)
<b>Cash and cash equivalents at period end.....</b>	<b>2,049,806</b>	<b>1,512,163</b>	<b>2,614,710</b>	<b>1,483,679</b>	<b>1,299,391</b>

## Selected Other Operating and Financial Data

### EBITDA and Adjusted EBITDA

	Six months ended 30 June		Year ended 31 December		
	2019	2018	2018	2017	2016
<i>(U.S. dollars in thousands)</i>					
<b>Calculation of EBITDA and Adjusted EBITDA:</b>					
Profit after tax .....	680,203	676,956	1,357,617	1,330,746	1,155,067
Finance costs .....	372,627	292,264	575,891	425,410	438,357
Finance income .....	(54,202)	(63,729)	(141,328)	(95,540)	(100,247)
Income tax expense .....	88,016	105,722	223,607	144,406	122,579
Depreciation and amortisation .....	451,426	358,669	817,035	632,210	542,883
<b>EBITDA<sup>(1)</sup> .....</b>	<b>1,538,070</b>	<b>1,369,882</b>	<b>2,832,822</b>	<b>2,437,232</b>	<b>2,158,639</b>
Separately disclosed items <sup>(2)</sup> .....	73,205	(48,367)	(24,827)	31,802	104,438
<b>Adjusted EBITDA<sup>(3)</sup> .....</b>	<b>1,611,275</b>	<b>1,321,515</b>	<b>2,807,995</b>	<b>2,469,034</b>	<b>2,263,077</b>
<b>Adjusted EBITDA margin<sup>(4)</sup> .....</b>	<b>46.5</b>	<b>50.3</b>	<b>49.7</b>	<b>52.4</b>	<b>54.4</b>

- (1) EBITDA, a measure used by the Company's management to measure operating performance, is defined as profit after tax from continuing operations plus finance costs (net of finance income), income tax, depreciation and amortisation. EBITDA includes the Group's share of profit from associates and joint ventures (see further "Presentation of Certain Financial and Other Information – Non-IFRS Measures").
- (2) See Note 8 (Separately disclosed items) to the DPW H1 2019 Unaudited Financial Statements, Note 9 (Separately disclosed items) to the DPW 2018 Financial Statements and Note 9 (Separately disclosed items) to the DPW 2017 Financial Statements for further information regarding SDIs.
- (3) Adjusted EBITDA is defined as EBITDA further adjusted to remove the impact of SDIs. Adjusted EBITDA includes the Group's share of profit from associates and joint ventures (see further "Presentation of Certain Financial and Other Information – Non-IFRS Measures").
- (4) Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.

	Six months ended 30 June		Year ended 31 December		
	2019	2018	2018	2017	2016
<i>(U.S. dollars in thousands)</i>					
<b>Adjusted EBITDA by segment<sup>(1)</sup>:</b>					
Middle East, Europe and Africa .....	1,362,316	998,270	2,013,863	1,917,640	1,791,269
Australia and Americas .....	188,178	166,444	340,151	291,485	293,052
Asia-Pacific and Indian Subcontinent .....	183,367	226,884	591,956	434,989	316,476
Head office .....	(122,586)	(70,083)	(137,975)	(175,080)	(137,720)
<b>Total .....</b>	<b>1,611,275</b>	<b>1,321,515</b>	<b>2,807,995</b>	<b>2,469,034</b>	<b>2,263,077</b>

- (1) Adjusted EBITDA is defined as EBITDA further adjusted to remove the impact of SDIs. Adjusted EBITDA includes the Group's share of profit from associates and joint ventures (see further "Presentation of Certain Financial and Other Information – Non-IFRS Measures"). See Note 5 (Segment information) to the DPW H1 2019 Unaudited Financial Statements, Note 4 (Segment information) to the DPW 2018 Financial Statements and Note 4 (Segment information) to the DPW 2017 Financial Statements for further information regarding SDIs.

### Revenue by activities

As the Group's operations have changed over time the Group has adapted how it categorises the make-up of its revenue.

	Six months ended 30 June	
	2019	2018
<i>(U.S. dollars in thousands)</i>		
Revenue from ports and terminals .....	2,321,138	1,940,149
Lease rentals and services from economic zones .....	291,327	291,955
Drydocking and logistics services .....	850,781	393,495
<b>Total .....</b>	<b>3,463,246</b>	<b>2,625,599</b>

	Year ended 31 December	
	2018	2017
	(U.S. dollars in thousands)	
Revenue from ports and terminals.....	4,295,950	4,128,667
Service concessions revenue .....	—	14,053
Lease rentals and services from economic zones.....	726,234	586,066
Drydocking and logistics services .....	624,096	—
<b>Total .....</b>	<b>5,646,280</b>	<b>4,728,786</b>

	Year ended 31 December	
	2017	2016
	(U.S. dollars in thousands)	
Containerised stevedoring revenue.....	1,856,806	1,535,059
Containerised other revenue .....	1,450,110	1,315,186
Non-containerised revenue.....	821,751	759,516
Service concession revenue.....	14,053	68,243
Lease rentals and related services.....	586,066	553,564
<b>Total .....</b>	<b>4,728,786</b>	<b>4,231,568</b>

#### Certain other operating and financial measures

	As at and for the six months ended 30 June		As at and for the year ended 31 December		
	2019	2018	2018	2017	2016
	(U.S. dollars in thousands, except ratios)				
<b>Calculation of Net Debt:</b>					
Interest bearing loans and borrowings – current.....	1,130,179	1,661,744	354,375	300,708	743,482
Interest bearing loans and borrowings – non-current...	12,363,645	7,314,379	10,065,388	7,287,136	6,874,777
<b>Total debt.....</b>	<b>13,493,824</b>	<b>8,976,123</b>	<b>10,419,763</b>	<b>7,587,844</b>	<b>7,618,259</b>
Cash and cash equivalents at period end .....	(2,049,806)	(1,512,163)	(2,614,710)	(1,483,679)	(1,299,391)
<b>Net Debt<sup>(1)</sup> .....</b>	<b>11,444,018</b>	<b>7,463,960</b>	<b>7,805,053</b>	<b>6,104,165</b>	<b>6,318,868</b>
Net finance costs before SDIs <sup>(2)</sup> .....	318,425	228,535	434,563	329,870	338,110
Adjusted EBITDA <sup>(3)</sup> .....	1,611,275	1,321,515	2,807,995	2,469,034	2,263,077
Net Debt to Adjusted EBITDA <sup>(4)</sup> .....	7.1x	5.6x	2.8x	2.5x	2.8x
Interest Cover <sup>(5)</sup> .....	5.1x	5.8x	6.5x	7.5x	6.7x

(1) "Net Debt" is calculated by taking total debt less cash and cash equivalents at period end. See "Presentation of Certain Financial and Other Information – Non-IFRS Measures, Separately Disclosed Items and Alternative Performance Measures".

(2) Refers to finance cost less finance income, in each case before SDIs. See Note 8 (Separately disclosed items) to the DPW H1 2019 Unaudited Financial Statements, Note 9 (Separately disclosed items) to the DPW 2018 Financial Statements and Note 9 (Separately disclosed items) to the DPW 2017 Financial Statements for further information regarding SDIs.

(3) See "Selected Financial Information of the Group – Selected other financial and operating data – EBITDA and Adjusted EBITDA".

(4) Calculated by dividing Net Debt by Adjusted EBITDA.

(5) "Interest Cover" is calculated by dividing Adjusted EBITDA by net finance costs before SDIs.

	As at 30 June		As at 31 December		
	2019	2018	2018	2017	2016
	(TEU in thousands)				
<b>Consolidated throughput by segment:</b>					
Middle East, Europe and Africa .....	11,662	12,158	22,585	22,889	21,279
Australia and Americas .....	3,148	1,994	4,157	3,567	3,003
Asia-Pacific and Indian Subcontinent .....	4,685	4,425	10,019	10,020	4,957
<b>Consolidated throughput .....</b>	<b>19,495</b>	<b>18,577</b>	<b>36,761</b>	<b>36,476</b>	<b>29,239</b>

	<b>Like-for-Like change<sup>(1)</sup></b>		
	<b>As at and for the six months ended 30 June 2019 compared to as at and for the six months ended 30 June 2018</b>	<b>As at and for the year ended 31 December 2018 compared to as at and for the year ended 31 December 2017</b>	<b>As at and for the year ended 31 December 2017 compared to as at and for the year ended 31 December 2016</b>
		(%)	
Gross throughput.....	0.5	2.9	9.7
Consolidated throughput .....	(1.7)	1.4	6.2
Revenue .....	10.8	4.2	6.0
Share of profit from equity-accounted investees .....	(3.3)	17.3	31.2
Adjusted EBITDA.....	9.9	6.6	8.0
Adjusted EBITDA margin.....	51.4	54.1	53.2
Profit for the period.....	19.0	1.8	12.0
Profit for the period attributable to owners of the Company	22.2	7.6	15.1

(1) See "Presentation of Certain Financial and Other Information – Non-IFRS Measures, Separately Disclosed Items and Alternative Performance Measures" for information regarding the calculation of Like-for-Like figures.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of the Group's financial condition and results of operations should be read in conjunction with the information in "Presentation of Certain Financial and Other Information", "Selected Consolidated Financial Data" and the DPW Financial Statements appearing elsewhere in this Base Prospectus.*

*This discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Base Prospectus, particularly under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".*

### Overview

The Group is a leading enabler of global trade and an integral part of the supply chain. The Group operates multiple yet related businesses spanning marine and inland terminals, maritime services, logistics and ancillary services and technology-driven trade solutions. The Group organises its business into three divisions: (i) port and terminals; (ii) PLEZ; and (iii) maritime services.

The ports and terminals division aims to meet the needs of dynamic global supply chains, as the Group develops and operates trade-enabling, strategically located, and state of the art infrastructure and services, including marine terminals, inland terminals, and cruise terminals. The ports and terminals division is the Group's largest division and represented approximately 76.1 per cent. of the Group's revenues for the year ended 31 December 2018.

The PLEZ division aims to provide end-to-end customer experience, by delivering integrated solutions across the containerised value chain, including industrial parks and economic zones as well as logistics services. The PLEZ division represented approximately 12.9 per cent. of the Group's revenues for the year ended 31 December 2018.

The maritime services division aims to complement the Group's global trade services, by providing maritime solutions through a wide portfolio of specialist vessels, river barging, chartering and port services. The maritime services division represented approximately 11.1 per cent. of the Group's revenues for the year ended 31 December 2018.

As at 31 December 2018, the Group managed over 150 operations in over 45 countries across six continents with a significant presence in both high-growth and mature markets. The Group aims to be essential to the future of global trade, ensuring everything it does has a long-lasting positive impact on economies and societies. As at 31 December 2018, the Group's portfolio had a gross capacity of 90.5 million TEU and, for the year ended 31 December 2018, the Group generated gross throughput of 71.4 million TEU, revenue of U.S.\$5,646.3 million, profit for the year of U.S.\$1,357.6 million and an Adjusted EBITDA of U.S.\$2,808.0 million.

For the purposes of financial reporting, the Group has the following three geographical segments:

- Middle East, Europe and Africa – over 70 operations in 27 countries as at 30 June 2019;
- Australia and Americas – over 30 operations in 13 countries as at 30 June 2019; and
- Asia-Pacific and Indian Subcontinent – over 40 operations in nine countries as at 30 June 2019.

### Factors Affecting Financial Condition and Results of Operations

The following is a discussion of the most significant factors that have affected, or are expected to affect, the Group's financial condition and results of operations.

#### *Volumes (TEU)*

The volume of the Group's TEU is primarily driven by: (i) growth in trade as a result of global economic conditions; and (ii) growth in the Group's capacity.

Global economic conditions can affect the volume of TEU the Group handles and more specific regional economic changes can also affect the volume of TEU on a geographic segment basis. As a result, the Group's volume of TEU in its geographic segments has been affected at different times and to differing degrees by economic conditions. For instance, in 2018 while the Group still grew its gross throughput when compared to 2017, it was at a lower rate as a result of, amongst other factors, the prevailing uncertainty in global trade. Similarly, TEU volumes increased in 2017 across all geographic regions as a result of global trade growth, aided by a weaker U.S. dollar and stronger economic growth in the Eurozone, United States, Japan and emerging Asia, along with robust growth in China. Further, in 2017 the Group's portfolio benefited from an improved trading environment and experienced market share gains from a new shipping alliance. The Group's gross volumes increased 10.1 per cent. in 2017 as compared to a 3.2 increase in 2016. Further, over the last few years the Group has been diversifying away from reliance on TEU and it has become a leading enabler of global trade and an integral part of the supply chain. The Group operates multiple yet related businesses spanning marine and inland terminals, maritime services, logistics and ancillary services and technology-driven trade solutions.

In the first half of 2019, the Group acquired Puerto Central (Chile) and Puerto Lirquen (Chile) which added 1.2 million TEU and 0.6 million TEU of annual capacity, respectively. Also, in the first half of 2019, the Group's concession in Surabaya (Indonesia) with an annual capacity of 2.1 million TEU ended. In 2018, the Group added 2.3 million TEU of gross capacity mainly as a result of new capacity at Maputo (Mozambique), Port of Paita (Peru), Antwerp Gateway (Belgium), and Qingdao New Wianwan Container Terminal (China). In 2017, the Group added 3.6 million TEU of new gross capacity which mainly included Jebel Ali (UAE), London Gateway (U.K.) and Prince Rupert (Canada). These increases reflect the continuation of the Group's substantial investment programme that the Group initiated in 2012, and which has helped the Group to drive stronger top and bottom line growth.

The Group has a portfolio of over 150 operations, together with nine new developments and major expansion projects that are currently underway (see further "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Capital expenditures*").

Gross capacity, gross throughput and utilisation rates of the Group's terminals for the relevant periods are shown in the table below.

	<b>For the year ended 31 December</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
Gross capacity (in TEU millions)(at period end).....	90.5	88.2	84.6
Gross throughput (in TEU millions).....	71.4	70.1	63.7
Gross capacity utilisation (in %) .....	78.9	79.5	75.2

### ***Capacity, utilisation and efficiency***

The Group aims to bring on capacity at its terminals in line with demand to avoid overcapacity. The Group is able to increase its capacity through either expansion of the port or terminal or by increasing the efficiency of the port or terminal. In many jurisdictions where there are ramp-up risks associated with new capacity, the Group is able to seek terms with the port authorities to restrict the granting of additional capacity until a reasonable level of ramp up has been achieved. This effectively balances demand with supply. At certain of its terminals, the Group is not able to expand its operations physically and efficiency improvements are the only means for the Group to increase its capacity and throughput. Conversely, at terminals that could be expanded physically, the Group may use efficiency improvements to incrementally increase capacity until demand reaches a point that justifies the capital expenditure costs associated with physical expansion.

In particular, by operating more efficiently as described below, the Group seeks to generate additional value out of its existing facilities by increasing capacity, which in turn permits increased throughput by making each crane move more profitable. Increased operating efficiency also reduces the Group's cost base as it is able to fully utilise its existing assets and does not need to invest additional capital in the deployment of new assets. Finally, efficient operations help the Group maintain good customer relations and reduce customer defection, thereby maintaining the Group's competitive position.

Increases in operational efficiency can be achieved by, among other things:

- introducing new technologies to speed up processes and reduce labour costs;

- improving landside support to ensure that containers are quickly and efficiently transported to and from the Group's terminals;
- using external depot functions to increase the capacity for container storage;
- actively managing container storage times by incentivising customers to take delivery of containers that have arrived in port as quickly as possible;
- maintaining schedule integrity with respect to vessel calls;
- increasing the number of berthing windows by loading and unloading vessels more quickly; and
- implementing rationalised berth utilisation, which involves arranging the timing of the arrival and departure of different-sized ships to ensure that a maximum of berth length is used.

The Group believes that it operates some of the most productive and efficient terminals in the world by using modern technology and processes, such as the Group's fully automated terminal in Rotterdam World Gateway (The Netherlands) and real-time monitoring of global operations from the Group's corporate head office. The Group has also introduced automation at London Gateway (U.K.) and Jebel Ali (UAE). The Group believes that the maintenance and enhancement of its operations is critically important, as this has a direct impact on the Group's results.

#### ***Origin and destination ("O&D") and transshipment cargo mix***

For the year ended 31 December 2018, approximately 70 per cent. of the Group's gross throughput was O&D. From a revenue perspective, O&D throughput differs from transshipment throughput primarily in that O&D throughput is usually handled most cost-effectively by one port, normally closest to the point of consumption or production, which makes O&D throughput less likely to be lost to competitors and less price-sensitive than transshipment throughput. O&D throughput also provides terminal operators with an opportunity to earn additional revenue by charging for delivery or reception of the container from the shipper or consignee, as well as by providing ancillary services, such as container freight stations and container cleaning. The Group will endeavour to maintain a strong O&D component in each of its terminals or, where this is not possible, obtain volume commitments from shipping lines to make its terminals less susceptible to the loss of transshipment volumes and price deterioration. However, the development of sophisticated route networks by shipping lines, together with the limited number of terminals that can efficiently service the growing number of large container ships, increases the potential for, and attractiveness of, additional transshipment volume in certain locations (see further "*Ports Operation Industry Overview – O&D versus Transshipment – Transshipment*").

#### ***Emerging market focus***

The Group's revenue growth is dependent on the performance of emerging economies. For the year ended 31 December 2018, approximately 75 per cent. of gross throughput in the Group's portfolio of terminals came from countries that are considered to be emerging or frontier markets, which include the Middle East and Africa, South America, South Asia and the Far East (as such terms are defined by the MSCI Frontier and Emerging Market indices). These economies are generally seen to be higher growth areas. According to the IMF, emerging market and developing economies output is projected to grow by 4.4 per cent. in 2019 and by a further 4.8 per cent. in 2020 while, in comparison, the global world output is projected to grow by 3.3 per cent. and 3.6 per cent., respectively, in the same years (*source: IMF World Economic Outlook, April 2019*). In addition, these emerging and developing regions, such as Africa and Latin America, have low containerisation rates compared to more mature markets which creates an opportunity for further expansion to complement the Group's existing operations. This includes the Group's recent investments in Somaliland and Rwanda as well as the consolidation of DP World Santos (Brazil). In the past, the Group's results of operations have been affected by, and the Group expects that its financial results will continue to be affected by, key macroeconomic factors in these emerging economies. See "*Risk Factors – Risks Related to the Group – The Group's results of operations can be adversely impact by declines in global trading volumes*".

### ***Ability to win concessions***

The Group believes it has a proven history of winning new concessions due to:

- its operating and technical credentials;
- its ability to offer an "integrated port management" model, which combines container handling facilities with economic free zones and infrastructure developments;
- its focus on key government issues such as security and sustainability; and
- its common user status and strong customer relationships.

Attractive concession opportunities will continue to arise globally and, as authorities granting concessions increase barriers to entry, the Group believes that its experience and qualifications will leave it well positioned to continue to win new concessions. In 2018, the Group announced a new concession for the management and development of a greenfield multi-purpose port at Banana (Democratic Republic of Congo) which will be the first deep-sea port in the country. In the same year, the Group also entered into a 20-year concession with the Republic of Mali to build and operate a 1,000 hectare modern logistics hub outside of Bamako which, once fully operational, is expected to be capable of handling 300,000 TEUs.

### ***Currency risk***

The Group's functional currency is UAE dirhams and its reporting currency is the U.S. dollar. The functional and reporting currency of subsidiaries, affiliates and associates varies depending on their geographic location. Accordingly, the Group is exposed to risks related to the translation of assets and liabilities denominated in currencies other than, or not pegged to, the U.S. dollar. In addition to these translation risks, the Group is exposed to transaction risks as a result of differences in the currency mix of its operating expenses, on the one hand, and revenue, on the other hand. As a result, a depreciation or appreciation of a particular local currency against the U.S. dollar could have either a positive or negative impact on both the group's balance sheet and its profit margin and therefore the Group's profit for the year. For additional discussion of the impact of foreign currency transactions and translations on the Group's results of operations, see Note 27 (*Financial risk management*) to the DPW 2018 Financial Statements and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures about Market Risk – Currency risk*".

### ***Tax regulation***

Certain of the Group's container terminal operations (for instance, certain terminals located in India, Egypt, Vietnam, Korea, Ecuador, Somaliland, Rwanda and Turkey) benefit from tax "holiday" or similar awards, which exempt the Group from paying tax on its profits or allow it to pay a reduced rate of tax on its profits (in most cases for a specified period of time and in some for a specific taxable amount). Such awards do not extend to the dividend distribution of such profits. In India, the Group also pays a significantly lower rate of customs duties on the Group's imports of capital goods as a result of the Export Promotion Capital Goods ("EPCG") Scheme, which reduces the customs duties on imports of capital goods on the basis that certain prescribed levels of exports are achieved. As a result of these tax awards, the Group's overall tax charge is less than it would otherwise be in the absence of such awards. Some of the existing tax awards expire at various times between 2023 and 2031 and, upon their expiration, the Group will be required to pay tax on the Group's profits at the normal rate for the relevant country. In addition, if the Group fails to meet the prescribed level of exports in India under the EPCG Scheme, the Group will be liable to pay the full rate of customs duties on the Group's imports of capital goods.

### ***Expansion of PLEZ and maritime services***

Historically, the Group was a global ports and terminal operator. Over the last several years, through acquisitions, the Group has begun complementing its ports and terminals business with its PLEZ and maritime services business. These businesses have different cash flow and profitability dynamics to the Group's existing ports and terminals business. For example, logistics businesses typically deliver lower EBITDA margins but are also less capital intensive and generally yield a higher return on capital. As a result as the Group expands these businesses in proportion to its ports and terminals business, the Group's EBITDA margin may decline but its return on capital employed should increase.

### *Acquisitions and divestments*

In May 2019, Hindustan Infralog Private Limited (which is a joint venture between the Group and the National Investment and Infrastructure Fund ("**NIIF**")) announced the acquisition of a 76 per cent. stake in KRIBHCO Infrastructure Limited ("**KRIL**"). KRIL operates three major inland container depots/private freight terminals at Pali in Haryana (India), Modinagar in Uttar Pradesh (India) and Hazira in Gujarat (India). KRIL also has a strong presence in India's National Capital Region. The transaction is subject to customary completion conditions and is expected to close in the second half of 2019.

In May 2019, the Group announced the acquisition of Fraser Surrey Docks from Macquarie Infrastructure Partners. Fraser Surrey Docks is a large, multi-purpose marine terminal located in the greater Vancouver area of British Columbia, Canada. The transaction is subject to customary completion conditions and is expected to close in the second half of 2019.

In February 2019, the Group announced its acquisition of the holding company of P&O Ferries and P&O Ferrymasters from Dubai World for a total consideration of U.S.\$409 million. P&O Ferries is a pan-European integrated logistics business consisting of: (i) a market leading roll-on rolloff ferries operation; and (ii) a European transportation and logistics solutions provider, P&O Ferrymasters. The transaction was completed in July 2019.

In February 2019, the Group acquired an additional 35.25 per cent. ownership in DP World Australia (Holding) Pty Ltd. As a result of this transaction the Group's equity interest increased from 25 per cent. to 60.25 per cent. Taking control of DP World Australia (Holding) Pty Ltd will enable the Group to develop its container terminal operations and ports logistics services across the Australia region. The acquisition is also expected to provide reduction in overall operating costs through economies of scale.

In January 2019, the Group entered into an agreement to acquire a 99.2 per cent. stake in Puertos y Logistica S.A. (Chile) ("**Pulogsa**") from Minera Valparaiso, other shareholders associated with the Matte Group and minority shareholders. The acquisition was completed in April 2019 for a total consideration of U.S.\$499 million. Pulogsa operates a long-term concession for Puerto Central in San Antonio in Chile's Central Region V and also owns and operates Puerto Lirquen in Chile's Southern Region VIII. Pulogsa is listed on the Santiago stock exchange.

In December 2018, the Group acquired a 100 per cent. stake in Unifeeder Group ("**Unifeeder**") for a total consideration of U.S.\$600.1 million. Unifeeder is an integrated logistics company which operates the largest and most densely connected common user container feeder, and an important and growing shortsea network, in Europe and serves deep-sea container hubs as well as the intra-Europe container freight market.

In July 2018, the Group acquired a 90 per cent. stake in Continental Warehousing Corporation (Nhava Sheva) Ltd ("**CWCNSL**") through a joint venture between the Group and the NIIF. CWCNSL was founded in 1997 and is a leading integrated multimodal logistics provider of warehousing, container freight stations, inland container depots, private freight terminals and integrated logistics solutions. CWCNSL's logistics network is spread across key strategic locations in India covering a total area of over 400 acres and providing over 660 thousand TEU capacity. In addition, CWCNSL's wholly-owned subsidiary, Delex Cargo India Private Ltd, provides door-to-door logistics solutions including freight forwarding, third-party logistics, express logistics and hub-and-spoke model of delivery across a number of cities.

In May 2018, the Group acquired a 100 per cent. stake in Cosmos Agencia Marítima S.A.C. ("**Cosmos**") for a total consideration of U.S.\$224.2 million. Cosmos is based in Peru and owns a fully-integrated logistics service business (Neptunia S.A. and Triton Transport S.A.) that offers end-to-end solutions to its customers. The logistics division offers an integrated platform of solutions in activities related to foreign trade, product storage and distribution, as well as freight services that facilitate development and implementation of industry specific projects. In addition to the maritime and logistics services offered by Cosmos, it also has a 50 per cent. stake in Terminales Portuários Euroandinos S.A. (Peru), which is the second largest container terminal in the country.

In January 2018, the Group acquired a 51 per cent. stake in LBS B.V. ("**LBS**") for a total consideration of U.S.\$20.3 million. LBS, in turn, owns a 100 per cent. stake in LB Shipping LLC which is a marine operating company offering towing services in Ukraine.

In January 2018, the Group acquired Maritime World LLC, which owns a 100 per cent. stake in Drydocks World LLC ("**Drydocks**") and Dubai Maritime City ("**DMC**"), for a total consideration of U.S.\$405 million. Drydocks World is a market leader in the ship repair business with the largest ship repair yard in the Middle East. The business delivers stable ship and rig repair revenues and has specialist capabilities in niche ship newbuilds and conversions. DMC is a world-class maritime service facility and industrial business zone in a prime location of central Dubai and adjacent to DP World's Port Rashid (Dubai). It is a maritime-focused commercial and industrial park, which extends to 2.3 million sqm on a man-made peninsula and provides EZW additional land as an alternative to the highly-occupied Jebel Ali Free Zone.

In November 2017, the Group acquired the remaining 66.67 per cent. ownership stake in Empresa Brasileira de Terminais Portuários ("**Embraport**") for a total consideration of U.S.\$29.2 million. This transaction increased the Group's shareholding to 100 per cent. and the terminal was rebranded to DP World Santos. DP World Santos is the largest Brazilian private multi-modal port terminal and operates in the Port of Santos, which is one of the busiest container port in Latin America and has strategic access to sea, road and rail, with the majority of the cargo destined for São Paulo (Brazil's most populous city).

In July 2017, the Group acquired a 93 per cent. ownership stake in Remolques y Servicios Maritimos, S.L. Group ("**Reyser**") for a total consideration of U.S.\$173.8 million. Reyser is a Spanish company providing maritime services internationally since 1966. Reyser's services include harbour towage, mooring, bunkering, diving and environmental support.

In January 2017, the Group monetised two of its Canadian container terminals, located in Vancouver and Prince Rupert, to create an investment vehicle in partnership with Caisse de depot et placement du Québec ("**CDPQ**"). The Group holds a 55 per cent. share in the investment vehicle and CDPQ acquired a 45 per cent. stake for a total consideration of U.S.\$640 million. The platform will invest in ports and terminals globally, excluding the UAE, across the life cycle of the asset.

See Note 27 (*Business combinations*) to the DPW H1 2019 Unaudited Financial Statements, Note 24 (*Business combinations*) to the DPW 2018 Financial Statements and Note 23 (*Business combinations*) to the 2017 DPW Financial Statements for more information on the Group's acquisitions.

## **Explanation of Key Income Statement Items**

### ***Revenue***

The Group implemented IFRS 15 with effect from 1 January 2018. Accordingly, revenue is recognised when a customer obtains control of the goods or services. Revenue is recognised to the extent that it is probable that the Group will collect the consideration to which it is entitled. Determining the timing of the transfer of control, i.e., at a point in time or over time, requires judgement. IFRS 15 did not have a significant impact on the Group's accounting for revenue recognition.

The Group's revenue mainly consists of revenue from ports and terminals (including from containerised stevedoring, break bulk and general cargo), service concessions revenue, lease rentals and services from economic zones and drydocking and logistics services. Prior to 2018, the Group presented its revenue as comprising containerised stevedoring revenue, containerised other revenue, non-containerised revenue, service concession revenue and revenue from lease rentals and related services. For further information regarding the services the Group provides, see "*Description of DP World*".

### ***Cost of sales***

Cost of sales are comprised of costs incurred in connection with the operation, maintenance and security of the Group's facilities and other costs directly attributable to the various services provided by the Group, including related depreciation expense. Major components of cost of sales include labour, the amortisation cost of port concessions, concession fees, royalties payable to port authorities, marine cost of sales, warehousing expenses, transportation expenses, and yard and gate operations expenses.

### ***General and administrative expenses***

General and administrative expenses include staff costs, facilities rental, travel and entertainment, insurance, advertising, marketing, printing and stationery, communication costs, legal expenses, consultancy costs, IT charges, repair and maintenance costs and other sundry expenses, including related depreciation expense.

### ***Other income***

Other income includes gain on sale of miscellaneous operating assets and other gain/loss on non-core activities.

### ***Net finance costs***

Net finance costs include finance costs less finance income. Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, any unwinding of discounts on provisions, impairment losses recognised on financial assets, losses on hedging instruments that are recognised in the consolidated statement of profit or loss and other net financing expenses in respect of pension plans.

Finance income and expense also includes realised and unrealised exchange gains and losses on monetary assets and liabilities.

### ***Share of profit/(loss) of equity-accounted investees***

Share of profit/(loss) of equity-accounted investees reflects the Group's share of profits or losses from entities that are associates or joint ventures. The results of operations of associates and joint ventures are not consolidated and, consequently, only the earnings impact of these entities based on the Group's shareholding is incorporated into the Group's results.

### ***Separately Disclosed Items***

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance. For more information regarding SDIs, see Note 8 (*Separately disclosed items*) to the DPW H1 2019 Unaudited Financial Statements, Note 9 (*Separately disclosed items*) to the DPW 2018 Financial Statements, Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements and "*Presentation of Certain Financial and Other Information – Non-IFRS Measures, Separately Disclosed Items and Alternative Performance Measures*".

### **Recent Developments**

On 20 February 2019, the Group announced the acquisition of 100 per cent. ownership in the holding company of P&O Ferries and P&O Ferrymasters (together "**P&O Ferries**") for a purchase consideration of U.S.\$409 million. P&O Ferries is a pan-European integrated logistics business consisting of: (i) a market leading roll-on roll-off ferries operation; and (ii) a European transportation and logistics solutions provider, P&O Ferrymasters. The transaction was completed in July 2019 and the related acquisition accounting is in the process of being completed.

On 9 May 2019, the Group announced the acquisition of Fraser Surrey Docks from Macquarie Infrastructure Partners ("**MIP**"). Fraser Surrey Docs is a large, multi-purpose marine terminal located in the greater Vancouver area of British Columbia, Canada. The acquisition will be affected through DP World's Canadian subsidiary, DP World Canada Investment Inc., 45 per cent. of which is owned by Caisse de dépôt et placement du Québec ("**CDPQ**"). The acquisition is subject to customary completion conditions and is expected to close before the end of 2019.

On 23 May 2019, Hindustan Infralog Private Limited, a joint venture between the Group and the National Investment and Infrastructure Fund, announced the acquisition of a 76 per cent. stake in KRIBHCO Infrastructure Limited ("**KRIL**"). KRIL operates three major inland container depots/private freight terminals at Pali in Haryana (India), Modinagar in Uttar Pradesh (India) and Hazira in Gujarat (India). KRIL also has a strong presence in India's National Capital Region, including a terminal located on a notified double stack route. The transaction is subject to customary completion conditions and is expected to close in the second half of 2019.

In July 2019, the Group announced the acquisition of 100 per cent. of Topaz Energy and Marine Limited ("**Topaz**") from Renaissance Services SAOG and Standard Chartered Private Equity/Affirma Capital for an enterprise value of U.S.\$1,079 million. Topaz is a leading international provider of critical marine logistics and solutions to the global energy industry. It operates a modern and versatile fleet of 117 vessels, predominantly in the Caspian Sea, MENA and West Africa regions. The transaction is subject to customary completion conditions and regulatory approvals and is expected to close in the second half of 2019.

Additionally, in July 2019, the Company issued U.S.\$300,000,000 5.625 per cent. Notes due September 2048 (to be consolidated and form a single series with the Original 2048 Notes (as defined below)) under the GMTN Programme (as defined below). Also, in July 2019, the Trustee issued U.S.\$1,000,000,000 Trust Certificates due July 2029 under the Programme, where holders are entitled to periodic distributions in the amount of 3.875 per cent. of the aggregate face amount of the trust certificates.

### Historical Results of Operations

The discussion and analysis of: (i) the six months ended 30 June 2019 compared to the six months ended 30 June 2018; (ii) the year ended 31 December 2018 compared to the year ended 31 December 2017; and (iii) the year ended 31 December 2017 compared to the year ended 31 December 2016, is based on the DPW Financial Statements.

#### Six months ended 30 June 2019 compared to six months ended 30 June 2018

The following table shows selected consolidated income statement data for the Group for the periods indicated.

	Six months ended 30 June					
	2019			2018		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	<i>(U.S. dollars in thousands)</i>					
Revenue .....	3,463,246	—	3,463,246	2,625,599	—	2,625,599
Cost of sales .....	(1,920,386)	—	(1,920,386)	(1,411,079)	—	(1,411,079)
<b>Gross profit</b> .....	<b>1,542,860</b>	<b>—</b>	<b>1,542,860</b>	<b>1,214,520</b>	<b>—</b>	<b>1,214,520</b>
General and administrative expenses...	(487,076)	(12,561)	(499,637)	(364,228)	—	(364,228)
Other income.....	17,575	—	17,575	24,701	—	24,701
Loss on disposal and change in ownership of business.....	—	(55,622)	(55,622)	—	—	—
Share of profit/(loss) from equity-accounted investees (net of tax) .....	86,490	—	86,490	87,853	(5,744)	82,109
<b>Results from operating activities</b> .....	<b>1,159,849</b>	<b>(68,183)</b>	<b>1,091,666</b>	<b>962,846</b>	<b>(5,744)</b>	<b>957,102</b>
Finance income .....	54,202	13,953	68,155	63,729	65,017	128,746
Finance costs.....	(372,627)	(18,975)	(391,602)	(292,264)	(10,906)	(303,170)
<b>Net finance costs</b> .....	<b>(318,425)</b>	<b>(5,022)</b>	<b>(323,447)</b>	<b>(228,535)</b>	<b>54,111</b>	<b>(174,424)</b>
<b>Profit before tax</b> .....	<b>841,424</b>	<b>(73,205)</b>	<b>768,219</b>	<b>734,311</b>	<b>48,367</b>	<b>782,678</b>
Income tax expense .....	(88,016)	—	(88,016)	(105,722)	—	(105,722)
<b>Profit for the period</b> .....	<b>753,408</b>	<b>(73,205)</b>	<b>680,203</b>	<b>628,589</b>	<b>48,367</b>	<b>676,956</b>
<i>Profit attributable to:</i>						
Owners of the Company..	752,619	(71,477)	681,142	593,444	48,367	641,811
Non-controlling interests.	789	(1,728)	(939)	35,145	—	35,145

#### Revenue

Revenue for the six months ended 30 June 2019 was U.S.\$3,463.2 million as compared to U.S.\$2,625.6 million for the six months ended 30 June 2018, an increase of U.S.\$837.6 million, or 31.9 per cent. The increase in revenue was partially driven by the sale of land to Emaar Development PJSC ("**Emaar**") for a



development project in Port Rashid in Dubai. In addition, some revenue growth can be attributed to acquisitions in Chile, the Australia Consolidation and growth in non-containerised revenue. As at 30 June 2019, the Group had over 150 operations. Like-for-like revenue increased by 10.8 per cent. driven by growth in non-container revenue.

#### Revenue by category

- Revenue from ports and terminals: revenue from ports and terminals for the six months ended 30 June 2019 was U.S.\$2,321.1 million (representing 67.0 per cent. of the Group's revenue for such period) as compared to U.S.\$1,940.1 million for the six months ended 30 June 2018 (representing 73.9 per cent. of the Group's revenue for such period), an increase of U.S.\$381.0 million, or 19.6 per cent. The increase was due to an increase in non-container revenues.
- Lease rentals and services from economic zones: revenue from lease rentals and services from economic zones for the six months ended 30 June 2019 was U.S.\$291.3 million (representing 8.4 per cent. of the Group's revenue for such period) as compared to U.S.\$292.0 million for the six months ended 30 June 2018 (representing 11.1 per cent. of the Group's revenue for such period), a decrease of U.S.\$0.6 million, or 0.2 per cent. Revenue remained relatively flat reflecting the market conditions in the UAE.
- Drydocking and logistics services: revenue from drydocking and logistics services for the six months ended 30 June 2019 was U.S.\$850.8 million (representing 24.6 per cent. of the Group's revenue for such period) as compared to U.S.\$393.5 million for the six months ended 30 June 2018 (representing 15.0 per cent. of the Group's revenue for such period), an increase of U.S.\$457.3 million, or 116.2 per cent. The increase was primarily the result of increased business activity from new acquisitions.

#### Revenue by geographic segment

The following table presents revenue information regarding the Group's geographic segments for the six months ended 30 June 2019 and the six months ended 30 June 2018.

	Six months ended 30 June					
	2019			2018		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	<i>(U.S. dollars in thousands)</i>					
Middle East, Europe and Africa .....	2,508,289	—	2,508,289	1,925,174	—	1,925,174
Australia and Americas ...	628,938	—	628,938	430,467	—	430,467
Asia-Pacific and Indian Subcontinent .....	326,019	—	326,019	269,958	—	269,958
<b>Revenue</b> .....	<b>3,463,246</b>	<b>—</b>	<b>3,463,246</b>	<b>2,625,599</b>	<b>—</b>	<b>2,625,599</b>

- Middle East, Europe and Africa: revenue for the Middle East, Europe and Africa segment for the six months ended 30 June 2019 was U.S.\$2,508.3 million as compared to U.S.\$1,925.2 million for the six months ended 30 June 2018, an increase of U.S.\$583.1 million, or 30.3 per cent. The increase reflected the acquisition of Unifeeder (Denmark) and the sale of a plot of land to Emaar for a development project in Port Rashid in Dubai. The Group will receive U.S.\$450.0 million in six equal instalments of U.S.\$75.0 million between the fourth and ninth year following commencement of operations as well as 30 per cent. of future profits. The Group recorded U.S.\$300.8 million in revenue reflecting the discounted value of deferred sales consideration. Like-for-Like revenue increased 17.1 per cent., primarily as a result of an increase in higher margin cargo, partially offset by a 3.5 per cent. decrease in Like-for-Like consolidated throughput. As at 30 June 2019, the Group had over 70 operations in the segment.
- Australia and Americas: revenue for the Australia and Americas segment for the six months ended 30 June 2019 was U.S.\$628.9 million as compared to U.S.\$430.5 million for the six months ended 30 June 2018, an increase of U.S.\$198.4 million, or 46.1 per cent. The increase reflected a 57.9 per cent. increase in consolidated throughput which was driven by the increase in business activity

resulting from the acquisitions of terminals in Chile, Peru and the Australia Consolidation. Like-for-Like revenue decreased 8.2 per cent., primarily as a result of a 5.9 per cent. decrease in Like-for-Like consolidated throughput. As at 30 June 2019, the Group had over 30 operations in the segment.

- *Asia-Pacific and Indian Subcontinent:* revenue for the Asia-Pacific and Indian Subcontinent segment for the six months ended 30 June 2019 was U.S.\$326.0 million as compared to U.S.\$270.0 million for the six months ended 30 June 2018, an increase of U.S.\$56.0 million, or 20.7 per cent. The increase reflected a 5.9 per cent. increase in consolidated throughput, including the acquisition Continental Warehousing Corporation in India. Like-for-Like revenue increased 7.0 per cent., primarily as a result of a 5.9 per cent. increase in Like-for-Like consolidated throughput. As at 31 December 2018, the Group had over 40 operations in the segment.

#### *Cost of sales*

Cost of sales for the six months ended 30 June 2019 was U.S.\$1,920.4 million as compared to U.S.\$1,411.1 million for the six months ended 30 June 2018, an increase of U.S.\$509.3 million, or 36.1 per cent. The increase was principally due to the increase of business activity resulting from the acquisition of Chile and the Australia Consolidation.

#### *General and administrative expenses*

General and administrative expenses for the six months ended 30 June 2019 were U.S.\$499.6 million as compared to U.S.\$364.2 million for the six months ended 30 June 2018, an increase of U.S.\$135.4 million, or 37.2 per cent. The six months ended 30 June 2019 included an SDI loss of U.S.\$12.6 million which was related to advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group and impairment of an asset in the Middle East, Europe and Africa segment. Overall, the increase in general and administrative expenses was primarily due to and the addition of new entities.

#### *Loss on disposal and change in ownership of business*

Loss on disposal and change in ownership of business for the six months ended 30 June 2019 was U.S.\$55.6 million, which was related to the loss on disposal of equity-accounted investees in the Asia Pacific and Indian subcontinent segment and the loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the Australia and Americas segment.

#### *Share of profit from equity-accounted investees*

Share of profit from equity-accounted investees for the six months ended 30 June 2019 was U.S.\$86.5 million as compared to U.S.\$82.1 million for the six months ended 30 June 2018, an increase of U.S.\$4.4 million, or 5.4 per cent. The six months ended 30 June 2018 included an SDI loss of U.S.\$5.7 million which was related to transaction costs written-off due to the extinguishment of debt in the Middle East, Europe and Africa segment. Share of profit from equity-accounted investees before SDIs for the six months ended 30 June 2019 was U.S.\$86.5 million as compared to U.S.\$87.9 million for the six months ended 30 June 2018, a decrease of U.S.\$1.4 million, or 1.6 per cent.

#### *Net finance costs*

Net finance costs for the six months ended 30 June 2019 were U.S.\$323.4 million as compared to U.S.\$174.4 million for the six months ended 30 June 2018, an increase of U.S.\$149.0 million, or 85.4 per cent. The six months ended 30 June 2019 included an SDI loss of U.S.\$5.0 million and the six months ended 30 June 2018 included an SDI gain of U.S.\$54.1 million, respectively, which were related to the movements based on the re-measured fair value of the derivative liability on the Convertible Bonds (as defined below). Net finance costs before SDIs for the six months ended 30 June 2019 were U.S.\$318.4 million as compared to U.S.\$228.5 million for the six months ended 30 June 2018, an increase of U.S.\$89.9 million, or 39.3 per cent. The increase was primarily as a result of an increase in the balance of the Group's interest bearing loans and borrowings as well as the implementation of IFRS 16.

### Income tax

Income tax expense for the six months ended 30 June 2019 was U.S.\$88.0 million as compared to U.S.\$105.7 million for the six months ended 30 June 2018, a decrease of U.S.\$17.7 million, or 16.7 per cent. The decrease was principally due to the generation of a larger share of profits in lower tax rate jurisdictions.

### Profit for the period

For the reasons set out above, profit for the period for the six months ended 30 June 2019 was U.S.\$680.2 million as compared to U.S.\$677.0 million for the six months ended 30 June 2018, an increase of U.S.\$3.2 million, or 0.5 per cent. The six months ended 30 June 2019 included an SDI loss of U.S.\$73.2 million while the six months ended 30 June 2018 included an SDI gain of U.S.\$48.4 million. Profit for the period before SDIs for the six months ended 30 June 2019 was U.S.\$753.4 million as compared to U.S.\$628.6 million for the six months ended 30 June 2018, an increase of U.S.\$124.8 million, or 19.9 per cent.

The following table presents profit information regarding the Group's geographic segments for the six months ended 30 June 2019 and the six months ended 30 June 2018.

	Six months ended 30 June					
	2019			2018		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	<i>(U.S. dollars in thousands)</i>					
Middle East, Europe and Africa .....	1,057,822	(6,000)	1,051,822	747,735	(5,744)	741,991
Australia and Americas ...	92,497	(31,072)	61,425	108,603	—	108,603
Asia-Pacific and Indian Subcontinent .....	136,585	(31,112)	105,473	181,581	—	181,581
Head office.....	(533,496)	(5,021)	(538,517)	(409,330)	54,111	(355,219)
<b>Profit for the period .....</b>	<b>753,408</b>	<b>(73,205)</b>	<b>680,203</b>	<b>628,589</b>	<b>48,367</b>	<b>676,956</b>

- Middle East, Europe and Africa:*** profit for the period for the Middle East, Europe and Africa segment for the six months ended 30 June 2019 was U.S.\$1,051.8 million as compared to U.S.\$742.0 million for the six months ended 30 June 2018, an increase of U.S.\$309.8 million, or 41.8 per cent. Profit for the period before SDIs for the Middle East, Europe and Africa segment for the six months ended 30 June 2019 was U.S.\$1,057.8 million as compared to U.S.\$747.7 million for the six months ended 30 June 2018, an increase of U.S.\$310.1 million, or 41.5 per cent. The increase was primarily due to the sale of a plot of land to Emaar for a development project in Port Rashid in Dubai. The Group will receive U.S.\$450.0 million in six equal instalments of U.S.\$75.0 million between the fourth and ninth year following commencement of operations as well as 30 per cent. of future profits. The Group recorded U.S.\$300.8 million in revenue reflecting the discounted value of deferred sales consideration.
- Australia and Americas:*** profit for the period for the Australia and Americas segment for the six months ended 30 June 2019 was U.S.\$61.4 million as compared to U.S.\$108.6 million for the six months ended 30 June 2018, a decrease of U.S.\$47.2 million, or 43.5 per cent. Profit for the period before SDIs for the Australia and Americas segment for the six months ended 30 June 2019 was U.S.\$92.5 million as compared to U.S.\$108.6 million for the six months ended 30 June 2018, a decrease of U.S.\$16.1 million, or 14.8 per cent. The decrease was primarily due to challenging market conditions in the Americas.
- Asia-Pacific and Indian Subcontinent:*** profit for the period for the Asia-Pacific and Indian Subcontinent segment for the six months ended 30 June 2019 was U.S.\$105.5 million as compared to U.S.\$181.6 million for the six months ended 30 June 2018, a decrease of U.S.\$76.1 million, or 41.9 per cent. Profit for the period before SDIs for the Asia-Pacific and Indian Subcontinent segment for the six months ended 30 June 2019 was U.S.\$136.6 million as compared to U.S.\$181.6 million for the six months ended 30 June 2018, a decrease of U.S.\$45.0 million, or 24.8 per cent. The decrease was primarily due to the release of provisions in 2018 which did not occur in 2019.

- **Head office:** loss for the period for the Head Office segment for the six months ended 30 June 2019 was U.S.\$538.5 million as compared to U.S.\$355.2 million for the six months ended 30 June 2018, an increase of U.S.\$183.3 million, or 51.6 per cent. Loss for the period before SDIs for the Head Office segment for the six months ended 30 June 2019 was U.S.\$533.5 million as compared to U.S.\$409.3 million for the six months ended 30 June 2018, an increase of U.S.\$124.2 million, or 30.3 per cent. The increase was primarily due to net finance costs at the Group level.

#### **Year ended 31 December 2018 compared to year ended 31 December 2017**

The following table shows selected consolidated income statement data for the Group for the years indicated.

	Year ended 31 December					
	2018			2017		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	<i>(U.S. dollars in thousands)</i>					
Revenue .....	5,646,280	—	5,646,280	4,714,733	14,053	4,728,786
Cost of sales .....	(3,138,749)	—	(3,138,749)	(2,359,467)	(14,053)	(2,373,520)
<b>Gross profit</b> .....	<b>2,507,531</b>	<b>—</b>	<b>2,507,531</b>	<b>2,355,266</b>	<b>—</b>	<b>2,355,226</b>
General and administrative expenses...	(738,233)	(56,264)	(794,497)	(693,878)	(14,699)	(708,577)
Other income .....	56,595	—	56,595	51,844	3,433	55,277
(Loss) on sale and termination of business...	—	(3,591)	(3,591)	—	(28,234)	(28,234)
Share of profit/(loss) from equity-accounted investees (net of tax) .....	165,067	(9,578)	155,489	123,592	4,172	127,764
<b>Results from operating activities</b> .....	<b>1,990,960</b>	<b>(69,433)</b>	<b>1,921,527</b>	<b>1,836,824</b>	<b>(35,328)</b>	<b>1,801,496</b>
Finance income	141,328	127,916	269,244	95,540	550	96,090
Finance costs .....	(575,891)	(33,656)	(609,547)	(425,410)	(98,100)	(523,510)
<b>Net finance costs</b> .....	<b>(434,563)</b>	<b>94,260</b>	<b>(340,303)</b>	<b>(329,870)</b>	<b>(97,550)</b>	<b>(427,420)</b>
<b>Profit before tax</b> .....	<b>1,556,397</b>	<b>24,827</b>	<b>1,581,224</b>	<b>1,506,954</b>	<b>(132,878)</b>	<b>1,374,076</b>
Income tax expense .....	(223,607)	—	(223,607)	(144,406)	101,076	(43,330)
<b>Profit for the year</b> .....	<b>1,332,790</b>	<b>24,827</b>	<b>1,357,617</b>	<b>1,362,548</b>	<b>(31,802)</b>	<b>1,330,746</b>
<b>Profit attributable to:</b>						
Owners of the Company..	1,270,116	26,365	1,296,481	1,208,517	(31,802)	1,176,715
Non-controlling interests.	62,674	(1,538)	61,136	154,031	—	154,031

#### **Revenue**

Revenue for the year ended 31 December 2018 was U.S.\$5,646.3 million as compared to U.S.\$4,728.8 million for the year ended 31 December 2017, an increase of U.S.\$917.5 million, or 19.4 per cent. The year ended 31 December 2017 included an SDI gain of U.S.\$14.1 million which was related to the revenue on the construction of a port in the Asia-Pacific and Indian Subcontinent segment (the fair value of the construction revenue from this port is equivalent to the construction cost). Revenue before SDIs for the year ended 31 December 2018 was U.S.\$5,646.3 million as compared to U.S.\$4,714.7 million for the year ended 31 December 2017, an increase of U.S.\$931.5 million, or 19.8 per cent. The increase in revenue was mainly driven by the increase in business activity resulting from the acquisitions of Drydocks (UAE), DMC (UAE), Cosmos Agencia Marítima (Peru), Continental Warehousing Corporation (India) and the consolidation of DP World Santos (Brazil). As at 31 December 2018 the Group had over 150 operations.

#### **Revenue by category**

- **Revenue from ports and terminals:** revenue from ports and terminals for the year ended 31 December 2018 was U.S.\$4,296.0 million (representing 76.1 per cent. of the Group's revenue for such period) as compared to U.S.\$4,128.7 million for the year ended 31 December 2017 (representing 87.3 per cent. of the Group's revenue for such period), an increase of U.S.\$167.3 million, or 4.1 per cent. The increase was primarily the result of strong revenue growth in Asia-Pacific and Indian Subcontinent segment driven by growth in non-containerised revenue.

- *Service concessions revenue*: service concessions revenue for the year ended 31 December 2018 was nil as compared to U.S.\$14.1 million for the year ended 31 December 2017 (representing 0.3 per cent. of the Group's revenue for such period).
- *Lease rentals and services from economic zones*: revenue from lease rentals and services from economic zones for the year ended 31 December 2018 was U.S.\$726.2 million (representing 12.9 per cent. of the Group's revenue for such period) as compared to U.S.\$586.1 million for the year ended 31 December 2017 (representing 12.4 per cent. of the Group's revenue for such period), an increase of U.S.\$140.2 million, or 23.9 per cent. The increase was primarily the result of the acquisition of DMC (UAE).
- *Drydocking and logistics services*: revenue from drydocking and logistics services for the year ended 31 December 2018 was U.S.\$624.1 million (representing 11.1 per cent. of the Group's revenue for such period) as compared to nil for the year ended 31 December 2017.

#### Revenue by geographic segment

The following table presents revenue information regarding the Group's geographic segments for the year ended 31 December 2018 and the year ended 31 December 2017.

	Year ended 31 December					
	2018			2017		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	<i>(U.S. dollars in thousands)</i>					
Middle East, Europe and Africa .....	3,851,725	—	3,851,725	3,284,363	—	3,284,363
Australia and Americas ...	961,146	—	961,146	762,151	—	762,151
Asia-Pacific and Indian Subcontinent .....	833,409	—	833,409	668,219	(14,053)	682,272
<b>Revenue.....</b>	<b>5,646,280</b>	<b>—</b>	<b>5,646,280</b>	<b>4,714,733</b>	<b>(14,053)</b>	<b>4,728,786</b>

- *Middle East, Europe and Africa*: revenue for the Middle East, Europe and Africa segment for the year ended 31 December 2018 was U.S.\$3,851.7 million as compared to U.S.\$3,284.4 million for the year ended 31 December 2017, an increase of U.S.\$567.4 million, or 17.3 per cent. The increase was primarily due to the acquisition of Drydocks (UAE) and DMC (UAE). On average, terminals that contributed to the Group's revenue for the segment as at 31 December 2018 experienced a decrease in consolidated container volume over the previous period of 1.3 per cent. on a Like-for-Like basis, container volumes increased 2.1 per cent. and Like-for-Like revenue increased 1.2 per cent. As at 31 December 2018, the Group had over 70 operations in the segment.
- *Australia and Americas*: revenue for the Australia and Americas segment for the year ended 31 December 2018 was U.S.\$961.1 million as compared to U.S.\$762.2 million for the year ended 31 December 2017, an increase of U.S.\$199.0 million, or 26.1 per cent. The increase reflected a 16.5 per cent. increase in container volumes mainly due to the consolidation of DP World Santos (Brazil). Excluding the new terminals, container volumes decreased 0.1 per cent. and Like-for-Like revenue increased 1.7 per cent., primarily as a result of an increase in higher margin containers. As at 31 December 2018, the Group had over 30 operations in the segment.
- *Asia-Pacific and Indian Subcontinent*: revenue for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2018 was U.S.\$833.4 million as compared to U.S.\$682.3 million for the year ended 31 December 2017, an increase of U.S.\$151.1 million, or 22.2 per cent. The increase was due primarily to the acquisition of Continental Warehousing Corporation (India) and the growth in non-container revenue. On average, terminals that contributed to the Group's revenue for the segment as at 31 December 2018 in terms of consolidated container volume were flat over the previous period. On a Like-for-Like basis, container volumes increased 0.5 per cent. and Like-for-Like revenue increased 21.6 per cent. As at 31 December 2018, the Group had over 40 operations in the segment.

### *Cost of sales*

Cost of sales for the year ended 31 December 2018 was U.S.\$3,138.7 million as compared to U.S.\$2,373.5 million for the year ended 31 December 2017, an increase of U.S.\$765.2 million, or 32.2 per cent. The year ended 31 December 2017 included an SDI loss of U.S.\$14.1 million which was related to the cost of construction of a port in the Asia-Pacific and Indian Subcontinent segment (the construction cost is equivalent to the fair value of the construction revenue from this port). Cost of sales before SDIs for the year ended 31 December 2018 was U.S.\$3,138.7 million as compared to U.S.\$2,359.5 million for the year ended 31 December 2017, an increase of U.S.\$779.3 million, or 33.0 per cent. The increase was principally due to increases in container volumes and the addition of new entities.

### *General and administrative expenses*

General and administrative expenses for the year ended 31 December 2018 were U.S.\$794.5 million as compared to U.S.\$708.6 million for the year ended 31 December 2017, an increase of U.S.\$85.9 million, or 12.1 per cent. General and administrative expenses before SDIs for the year ended 31 December 2018 were U.S.\$738.2 million as compared to U.S.\$693.9 million for the year ended 31 December 2017, an increase of U.S.\$44.4 million, or 6.4 per cent. The increase was primarily due to the addition of new entities.

### *Share of profit from equity-accounted investees*

Share of profit from equity-accounted investees for the year ended 31 December 2018 was U.S.\$155.5 million as compared to U.S.\$127.8 million for the year ended 31 December 2017, an increase of U.S.\$27.7 million, or 21.7 per cent. The year ended 31 December 2018 included an SDI loss of U.S.\$9.6 million which was related to transaction costs written-off due to the extinguishment of property, plant and equipment in equity-accounted investees in the Middle East, Europe and Africa segment and the loss on termination of a hedge in an equity-accounted investee in the Middle East, Europe and Africa segment, while the year ended 31 December 2017 included an SDI gain of U.S.\$4.2 million which was related to the release of deferred tax liability on account of a tax rate change in respect of an equity-accounted investee in the Middle East, Europe and Africa segment and was partially offset by an impairment of goodwill in an equity-accounted investee in the Asia-Pacific and Indian Subcontinent segment. Share of profit from equity-accounted investees before SDIs for the year ended 31 December 2018 was U.S.\$165.1 million as compared to U.S.\$123.6 million for the year ended 31 December 2017, an increase of U.S.\$41.5 million, or 33.6 per cent. The increase was primarily due to the strong performance of the Group's joint ventures, in particular in Asia and Europe.

### *Net finance costs*

Net finance costs for the year ended 31 December 2018 were U.S.\$340.3 million as compared to U.S.\$427.4 million for the year ended 31 December 2017, a decrease of U.S.\$87.1 million, or 20.4 per cent. The year ended 31 December 2018 included a SDI gain of U.S.\$94.3 million while the year ended 31 December 2017 included a SDI loss of U.S.\$77.0 million, in each case, primarily attributable to a change in the fair value of the derivative liability on the Convertible Bonds as well as interest accretion on the Convertible Bonds due to the accretion of the liability component as at the reporting date to the amount that will be payable on redemption of the Convertible Bonds. Net finance costs before SDIs for the year ended 31 December 2018 were U.S.\$434.6 million as compared to U.S.\$329.9 million for the year ended 31 December 2017, an increase of U.S.\$104.7 million, or 31.7 per cent. The increase was primarily as a result of an increase in the balance of the Group's interest bearing loans and borrowings.

### *Income tax expense*

Income tax expense for the year ended 31 December 2018 was U.S.\$223.6 million as compared to U.S.\$43.3 million for the year ended 31 December 2017, an increase of U.S.\$180.3 million, or 416.1 per cent. The year ended 31 December 2017 included a SDI gain of U.S.\$101.1 million which was related to the release of deferred tax liability on account of a tax rate change. Income tax expense before SDIs for the year ended 31 December 2017 was U.S.\$223.6 million as compared to U.S.\$144.4 million, an increase of U.S.\$79.2 million, or 54.8 per cent. The increase was principally due to a stronger performance within tax paying jurisdictions.

### Profit for the year

For the reasons set out above, profit for the year ended 31 December 2018 was U.S.\$1,357.6 million as compared to U.S.\$1,330.7 million for the year ended 31 December 2017, an increase of U.S.\$26.9 million, or 2.0 per cent. The year ended 31 December 2018 included an SDI gain of U.S.\$24.8 million which was primarily attributable to the SDI gain on finance income due to a U.S.\$117.5 million change in the fair value of the derivative liability on the Convertible Bonds, which was partially offset by finance costs related to the Convertible Bonds as well as acquisition costs and pensions costs. The year ended 31 December 2017 included an SDI loss of U.S.\$31.8 million which was primarily attributable to a U.S.\$77.0 million change in the fair value of the derivative liability on the Convertible Bonds as well as a U.S.\$28.2 million loss incurred on the re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in DP World Santos (Brazil) which had been an equity-accounted investee in the Australia and Americas segment, which was partially offset by an income tax credit of U.S.\$101.1 million during the year relating to the release of deferred tax liability on account of a tax rate change. Profit before SDIs for the year ended 31 December 2018 was U.S.\$1,332.8 million as compared to U.S.\$1,362.5 million for the year ended 31 December 2017, a decrease of U.S.\$29.8 million, or 2.2 per cent.

The following table presents profit information regarding the Group's geographic segments for the year ended 31 December 2018 and the year ended 31 December 2017.

	Year ended 31 December					
	2018			2017		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	<i>(U.S. dollars in thousands)</i>					
Middle East, Europe and Africa .....	1,428,476	(29,480)	1,398,996	1,490,471	10,369	1,500,840
Australia and Americas ...	222,926	(2,800)	220,126	197,439	(32,384)	165,055
Asia-Pacific and Indian Subcontinent .....	485,996	(10,743)	475,253	333,229	(13,313)	319,916
Head office.....	(804,608)	67,850	(736,758)	(658,591)	3,526	(655,065)
<b>Profit for the year.....</b>	<b>1,332,790</b>	<b>24,827</b>	<b>1,357,617</b>	<b>1,362,548</b>	<b>(31,802)</b>	<b>1,330,746</b>

- ***Middle East, Europe and Africa:*** profit for the Middle East, Europe and Africa segment for the year ended 31 December 2018 was U.S.\$1,399.0 million as compared to U.S.\$1,500.8 million for the year ended 31 December 2017, a decrease of U.S.\$101.8 million, or 0.9 per cent. Profit before SDIs for the Middle East, Europe and Africa segment for the year ended 31 December 2018 was U.S.\$1,428.5 million as compared to U.S.\$1,490.5 million for the year ended 31 December 2017, a decrease of U.S.\$62.0 million, or 4.2 per cent. The decrease was primarily due to the removal of the Djibouti concession.
- ***Australia and Americas:*** profit for the Australia and Americas segment for the year ended 31 December 2018 was U.S.\$220.1 million as compared to U.S.\$165.1 million for the year ended 31 December 2017, an increase of U.S.\$55.1 million, or 33.4 per cent. Profit before SDIs for the Australia and Americas segment for the year ended 31 December 2018 was U.S.\$222.9 million as compared to U.S.\$197.4 million for the year ended 31 December 2017, an increase of U.S.\$25.5 million, or 12.9 per cent. The increase was primarily due to growth in the Americas.
- ***Asia-Pacific and Indian Subcontinent:*** profit for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2018 was U.S.\$475.3 million as compared to U.S.\$319.9 million for the year ended 31 December 2017, an increase of U.S.\$155.3 million, or 48.6 per cent. Profit before SDIs for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2018 was U.S.\$486.0 million as compared to U.S.\$333.2 million for the year ended 31 December 2017, an increase of U.S.\$152.8 million, or 45.8 per cent. The increase was primarily due to growth in non-container revenue.
- ***Head office:*** loss for the Head Office segment for the year ended 31 December 2018 was U.S.\$736.8 million as compared to U.S.\$655.1 million for the year ended 31 December 2017, an increase of U.S.\$81.7 million, or 12.5 per cent. Loss before SDIs for the Head Office segment for the year ended 31 December 2018 was U.S.\$804.6 million as compared to U.S.\$658.6 million for

the year ended 31 December 2017, an increase of U.S.\$146.0 million, or 22.2 per cent. The increase was primarily due to higher underlying head office costs which reflect the higher asset base.

**Year ended 31 December 2017 compared to year ended 31 December 2016**

The following table shows selected consolidated income statement data for the Group for the years indicated.

	Year ended 31 December					
	2017			2016		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	<i>(U.S. dollars in thousands)</i>					
Revenue .....	4,714,733	14,053	4,728,786	4,163,325	68,243	4,231,568
Cost of sales .....	(2,359,467)	(14,053)	(2,373,520)	(2,010,490)	(68,243)	(2,078,733)
<b>Gross profit</b> .....	<b>2,355,266</b>	<b>—</b>	<b>2,355,226</b>	<b>2,152,835</b>	<b>—</b>	<b>2,152,835</b>
General and administrative expenses...	(693,878)	(14,699)	(708,577)	(628,411)	(776)	(629,187)
Other income .....	51,844	3,433	55,277	49,301	3,878	53,179
(Loss) on sale and termination of business....	—	(28,234)	(28,234)	(2,966)	(12,524)	(15,490)
Share of profit/(loss) from equity-accounted investees (net of tax) .....	123,592	4,172	127,764	149,435	(2,957)	146,478
<b>Results from operating activities</b> .....	<b>1,836,824</b>	<b>(35,328)</b>	<b>1,801,496</b>	1,720,194	(12,379)	1,707,815
Finance income	95,540	550	96,090	100,247	47,462	147,709
Finance costs .....	(425,410)	(98,100)	(523,510)	(438,357)	(139,521)	(577,878)
<b>Net finance costs</b> .....	<b>(329,870)</b>	<b>(97,550)</b>	<b>(427,420)</b>	<b>(338,110)</b>	<b>(92,059)</b>	<b>(430,169)</b>
<b>Profit before tax</b> .....	<b>1,506,954</b>	<b>(132,878)</b>	<b>1,374,076</b>	<b>1,382,084</b>	<b>(104,438)</b>	<b>1,277,646</b>
Income tax expense .....	(144,406)	101,076	(43,330)	(122,579)	—	(122,579)
<b>Profit for the year</b> .....	<b>1,362,548</b>	<b>(31,802)</b>	<b>1,330,746</b>	<b>1,259,505</b>	<b>(104,438)</b>	<b>1,155,067</b>
<i>Profit attributable to:</i>						
Owners of the Company..	1,208,517	(31,802)	1,176,715	1,126,554	(102,300)	1,024,254
Non-controlling interests.	154,031	—	154,031	132,951	(2,138)	130,813

**Revenue**

Revenue for the year ended 31 December 2017 was U.S.\$4,728.8 million as compared to U.S.\$4,231.6 million for the year ended 31 December 2016, an increase of U.S.\$497.2 million, or 11.7 per cent. The year ended 31 December 2017 included an SDI gain of U.S.\$14.0 million of revenue recorded on the construction of a port. In accordance with IFRIC 12, the fair value of revenue from construction services provided by the Group to develop a port in the Asia-Pacific and Indian Subcontinent segment was included as both revenue and cost of sales in the year ended 31 December 2017. Revenue before SDIs for the year ended 31 December 2017 was U.S.\$4,714.7 million as compared to U.S.\$4,163.3 million for the year ended 31 December 2016, an increase of U.S.\$551.4 million, or 13.2 per cent. The increase in revenue was mainly driven by strong containerised stevedoring revenue growth. As at 31 December 2017, the Group had 78 terminals. Terminals that contributed to the Group's revenue as at 31 December 2017 experienced an increase in consolidated container volume over the previous year of 24.7 per cent., primarily due to consolidation of PNC (South Korea).

**Revenue by category**

The following table presents revenue information regarding the Group for the year ended 31 December 2017 and the year ended 31 December 2016 and is derived from the DPW 2017 Financial Statements. The



Group changed its business segments in 2018 with the presentation below reflecting the Group's previous categories. The footnotes below the table reconcile the previous 2017 division to the new 2018 division.

	<b>Year ended 31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>(U.S. dollars in thousands)</i>	
Containerised stevedoring revenue <sup>(1)</sup> .....	1,856,806	1,535,059
Containerised other revenue <sup>(1)</sup> .....	1,450,110	1,315,186
Non-containerised revenue <sup>(1)</sup> .....	821,751	759,516
Service concession revenue.....	14,053	68,243
Lease rentals and related services <sup>(2)</sup> .....	586,066	553,564
<b>Revenue</b> .....	<b>4,728,786</b>	<b>4,231,568</b>

(1) Containerised stevedoring revenue, containerised other revenue and non-containerised revenue together comprise the "revenue from ports and terminals" business segment in the DPW H1 2019 Unaudited Financial Statements and the DPW 2018 Financial Statements.

(2) Lease rentals and related services comprises the "lease rentals and services from economic zones" business segment in the DPW H1 2019 Unaudited Financial Statements and the DPW 2018 Financial Statements.

- **Containerised stevedoring revenue:** containerised stevedoring revenue for the year ended 31 December 2017 was U.S.\$1,856.8 million (representing 39.3 per cent. of the Group's revenue for such period) as compared to U.S.\$1,535.1 million for the year ended 31 December 2016 (representing 36.3 per cent. of the Group's revenue for such period), an increase of U.S.\$321.7 million, or 21.0 per cent. The increase reflected an increase in consolidated container volumes as a result of both an increase in capacity and favourable trading environment.
- **Containerised other revenue:** containerised other revenue for the year ended 31 December 2017 was U.S.\$1,450.1 million (representing 30.7 per cent. of the Group's revenue for such period) as compared to U.S.\$1,315.2 million for the year ended 31 December 2016 (representing 30.4 per cent. of the Group's revenue for such period), an increase of U.S.\$134.9 million, or 10.3 per cent. The increase principally reflected the increase in container re-handling and storage revenue, reflecting the increase in containers held at the Group's terminals.
- **Non-containerised revenue:** non-containerised revenue for the year ended 31 December 2017 was U.S.\$821.8 million (representing 17.4 per cent. of the Group's revenue for such period) as compared to U.S.\$759.5 million for the year ended 31 December 2016 (representing 17.9 per cent. of the Group's revenue for such period), an increase of U.S.\$62.2 million, or 8.2 per cent. This increase primarily reflected the growth in non-containerised volumes in Jebel Ali (UAE).

#### Revenue by geographic segment

The following table presents revenue information regarding the Group's geographic segments for the year ended 31 December 2017 and the year ended 31 December 2016.

	<b>Year ended 31 December</b>					
	<b>2017</b>			<b>2016</b>		
	<b>Before separately disclosed items</b>	<b>Separately disclosed items</b>	<b>Total</b>	<b>Before separately disclosed items</b>	<b>Separately disclosed items</b>	<b>Total</b>
	<i>(U.S. dollars in thousands)</i>					
Middle East, Europe and Africa.....	3,284,363	—	3,284,363	3,071,052	—	3,071,052
Australia and Americas ...	762,151	—	762,151	659,020	—	659,020
Asia-Pacific and Indian Subcontinent .....	668,219	(14,053)	682,272	433,253	(68,243)	501,496
<b>Revenue</b> .....	<b>4,714,733</b>	<b>(14,053)</b>	<b>4,728,786</b>	<b>4,163,325</b>	<b>(68,243)</b>	<b>4,231,568</b>

- **Middle East, Europe and Africa:** revenue for the Middle East, Europe and Africa segment for the year ended 31 December 2017 was U.S.\$3,284.4 million as compared to U.S.\$3,071.1 million for the year ended 31 December 2016, an increase of U.S.\$213.3 million, or 6.9 per cent. The increase reflected a 7.6 per cent. growth in throughput from 2016 to 2017. On average, terminals that contributed to revenue for the segment experienced an increase in container volume of 7.6 per cent. over the previous year. Excluding the new terminals, container volumes increased 6.7 per cent. and

Like-for-Like revenue increased 4.8 per cent., primarily as a result of improved container volumes at the Jebel Ali port as well as the Group's winning the London Gateway (U.K.) container line service. As at 31 December 2017, the Group had 38 operating terminals in the segment. UAE total containerised revenue for the year ended 31 December 2017 increased against the same period in 2016 by 2.6 per cent., whilst non-containerised revenue decreased by 3.1 per cent. following a decrease in general, break bulk and bulk cargo volumes.

- *Australia and Americas*: revenue for the Australia and Americas segment for the year ended 31 December 2017 was U.S.\$762.1 million as compared to U.S.\$659.0 million for the year ended 31 December 2016, an increase of U.S.\$103.1 million, or 15.6 per cent. The increase in revenue primarily resulted from stronger volumes in the Americas. As at 31 December 2017, the Group had 14 operating terminals in the segment.
- *Asia-Pacific and Indian Subcontinent*: revenue for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2017 was U.S.\$682.3 million as compared to U.S.\$501.5 million for the year ended 31 December 2016, an increase of U.S.\$180.8 million, or 36.1 per cent. Revenue before SDIs for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2017 was U.S.\$668.2 million as compared to U.S.\$433.3 million for the year ended 31 December 2016, an increase of U.S.\$235.0 million, or 54.2 per cent. The increase in revenue was largely from the consolidation of PNC (South Korea). Like-for-Like revenue increased 6.1 per cent. against a rise in Like-for-Like container volume of 2.4 per cent. As at 31 December 2017, the Group had 26 operating terminals in the segment.

#### *Cost of sales*

Cost of sales for the year ended 31 December 2017 was U.S.\$2,373.5 million as compared to U.S.\$2,078.7 million for the year ended 31 December 2016, an increase of U.S.\$294.8 million, or 14.2 per cent. The year ended 31 December 2017 and the year ended 31 December 2016 included SDI losses of U.S.\$14.0 million and U.S.\$68.2 million, respectively (see further Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements). Cost of sales before SDIs for the year ended 31 December 2017 were U.S.\$2,359.5 million as compared to U.S.\$2,010.5 million for the year ended 31 December 2016, an increase of U.S.\$349.0 million, or 17.4 per cent. The increase was principally due to a 24.7 per cent. increase in container volumes and the consolidation of PNC (South Korea).

#### *General and administrative expenses*

General and administrative expenses for the year ended 31 December 2017 were U.S.\$708.6 million as compared to U.S.\$629.2 million for the year ended 31 December 2016, an increase of U.S.\$79.4 million, or 12.6 per cent. The year ended 31 December 2017 included an SDI loss of U.S.\$14.7 million relating to advisory, legal, accounting, valuation, professional consulting, general and administrative costs that were directly related to various acquisitions, the reversal of excess restructuring provision in a subsidiary in the Middle East, Europe and Africa segment and an impairment of property, plant and equipment and investment properties relating to certain subsidiaries in the Middle East, Europe and Africa segment. The year ended 31 December 2016 included an SDI loss of U.S.\$0.8 million primarily relating to an impairment of property, plant and equipment and investment properties relating to certain subsidiaries in the Middle East, Europe and Africa segment. General and administrative expenses before SDIs for the year ended 31 December 2017 were U.S.\$693.9 million as compared to U.S.\$628.4 million for the year ended 31 December 2016, an increase of U.S.\$65.5 million, or 10.4 per cent. The increase was primarily due to the increase in container volumes and the consolidation of PNC (South Korea).

#### *Loss on sale and change in ownership of business*

Loss on sale and change in ownership of business for the year ended 31 December 2017 was comprised of a loss of U.S.\$28.2 million, which related to the loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the Australia and Americas segment. Loss on sale and change in ownership of business for the year ended 31 December 2016 was comprised of a loss of U.S.\$15.5 million, which included an SDI loss of U.S.\$12.5 million related to the loss on sale of a subsidiary in the Middle East, Europe and Africa segment and loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the Asia-Pacific and Indian Subcontinent segment.

#### *Share of profit from equity-accounted investees*

Share of profit from equity-accounted investees for the year ended 31 December 2017 was U.S.\$127.8 million as compared to U.S.\$146.5 million for the year ended 31 December 2016, a decrease of U.S.\$18.7 million, or 12.8 per cent. The year ended 31 December 2017 included an SDI gain of U.S.\$4.2 million which was related to the release of deferred tax liability of U.S.\$16.0 million due to a tax rate change in an equity-accounted investee in the Middle East, Europe and Africa segment, which was offset by an impairment of goodwill of U.S.\$11.8 million in an equity-accounted investee in the Asia-Pacific and Indian Subcontinent segment. The year ended 31 December 2016 included an SDI loss of U.S.\$3.0 million comprised of non-recurring expenses incurred in the Middle East, Europe and Africa segment. Share of profit from equity-accounted investees before SDIs for the year ended 31 December 2017 was U.S.\$123.6 million as compared to U.S.\$149.4 million for the year ended 31 December 2016, a decrease of U.S.\$25.8 million, or 17.3 per cent. The decrease was primarily due to the consolidation of PNC (South Korea) and DP World Santos (Brazil).

#### *Net finance costs*

Net finance costs for the year ended 31 December 2017 were U.S.\$427.4 million as compared to U.S.\$430.2 million for the year ended 31 December 2016, a decrease of U.S.\$2.8 million, or 0.6 per cent. The year ended 31 December 2017 included an SDI loss of U.S.\$77.0 million related to a change in the fair value of the Convertible Bonds option due to movement based on re-measured fair value of the embedded derivative liability of the Convertible Bonds as well as finance costs related to the Convertible Bonds which relate to the accretion of the liability component as at the reporting date to the amount that will be payable on the redemption of the Convertible Bonds. The year ended 31 December 2016 included an SDI loss of U.S.\$92.1 million related to finance costs related to the Convertible Bonds, sukuk redemption costs, and transaction costs related to the restructuring and termination of loans in subsidiaries in the Middle East, Europe and Africa segment. Net finance costs before SDIs for the year ended 31 December 2017 were U.S.\$329.9 million as compared to U.S.\$338.1 million for the year ended 31 December 2016, a decrease of U.S.\$8.2 million, or 2.4 per cent, primarily as a result of a decrease in interest rates partially offset by an increase in overall indebtedness.

#### *Income tax expense*

Income tax expense for the year ended 31 December 2017 was U.S.\$43.3 million as compared to U.S.\$122.6 million for the year ended 31 December 2016, a decrease of U.S.\$79.3 million, or 64.6 per cent. The year ended 31 December 2017 included an SDI gain of U.S.\$ 101.1 million resulting from the release of a deferred tax liability on account of a tax rate change in the U.S. Income tax expense before SDIs for the year ended 31 December 2017 was U.S.\$144.4 million as compared to U.S.\$122.6 million for the year ended 31 December 2016, an increase of U.S.\$21.8 million, or 17.8 per cent. The increase was principally due to an increase in profit.

#### *Profit for the year*

For the reasons set out above, profit for the year ended 31 December 2017 was U.S.\$1,330.7 million as compared to U.S.\$1,155.1 million for the year ended 31 December 2016, an increase of U.S.\$175.6 million, or 15.2 per cent. The year ended 31 December 2017 included an SDI loss of U.S.\$31.8 million while the year ended 31 December 2016 included an SDI loss of U.S.\$104.4 million (see above for further information regarding such SDIs). Profit for the year before SDIs for the year ended 31 December 2017 was U.S.\$1,362.5 million as compared to U.S.\$1,259.5 million for the year ended December 2016, an increase of U.S.\$103.0 million, or 8.2 per cent.

The following table presents profit information regarding the Group's geographic segments for the year ended 31 December 2017 and the year ended 31 December 2016.

	Year ended 31 December					
	2017			2016		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
						(U.S. dollars in thousands)
Middle East, Europe and Africa .....	1,490,471	10,369	1,500,840	1,400,085	(8,171)	1,391,914
Australia and Americas ...	197,439	(32,384)	165,055	215,663	2,076	217,739
Asia-Pacific and Indian Subcontinent .....	333,229	(13,313)	319,916	249,216	(6,284)	242,932
Head office.....	(658,591)	3,526	(655,065)	(605,459)	(92,059)	(697,518)
<b>Profit for the year.....</b>	<b>1,362,548</b>	<b>(31,802)</b>	<b>1,330,746</b>	<b>1,259,505</b>	<b>(104,438)</b>	<b>1,155,067</b>

- ***Middle East, Europe and Africa:*** profit for the Middle East, Europe and Africa segment for the year ended 31 December 2017 was U.S.\$1,500.8 million as compared to U.S.\$1,391.9 million for the year ended 31 December 2016, an increase of U.S.\$108.9 million, or 7.8 per cent. Profit before SDIs for the Middle East, Europe and Africa segment for the year ended 31 December 2017 was U.S.\$1,490.5 million as compared to U.S.\$1,400.1 million for the year ended 31 December 2016, an increase of U.S.\$90.4 million, or 6.5 per cent. The increase principally reflected the increased revenue in this segment as outlined above and a slight increase in the segment's profit from joint ventures.
- ***Australia and Americas:*** profit for the Australia and Americas segment for the year ended 31 December 2017 was U.S.\$165.1 million as compared to U.S.\$217.7 million for the year ended 31 December 2016, a decrease of U.S.\$52.6 million, or 24.2 per cent. Profit before SDIs for the Australia and Americas segment for the year ended 31 December 2017 was U.S.\$197.4 million as compared to U.S.\$215.7 million for the year ended 31 December 2016, a decrease of U.S.\$18.3 million, or 8.5 per cent. The decrease was predominantly due to a lower share of profit from joint ventures, primarily DP World Santos (Brazil), as well as higher depreciation expenses.
- ***Asia-Pacific and Indian Subcontinent:*** profit for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2017 was U.S.\$319.9 million as compared to a profit of U.S.\$242.9 million for the year ended 31 December 2016, an increase of U.S.\$77.0 million, or 31.7 per cent. Profit before SDIs for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2017 was U.S.\$333.2 million as compared to a profit of U.S.\$249.2 million for the year ended 31 December 2016, an increase of U.S.\$84.0 million, or 33.7 per cent. The increase was primarily a result of the consolidation of PNC (South Korea) and higher profit from the Indian subcontinent segment.
- ***Head office:*** loss for the Head Office segment for the year ended 31 December 2017 was U.S.\$655.1 million as compared to a loss of U.S.\$697.5 million for the year ended 31 December 2016, a decrease of U.S.\$42.4 million, or 6.1 per cent. Loss before SDIs for the Head Office segment for the year ended 31 December 2017 was U.S.\$658.6 million as compared to a loss of U.S.\$605.5 million for the year ended 31 December 2016, an increase of U.S.\$53.1 million, or 8.8 per cent. The increase principally reflected higher corporate overhead and tax expenses.

### ***Liquidity and Capital Resources***

The Group expects to meet its ongoing capital requirements, including in respect of its new developments and major expansion projects, through cash, operating returns, as well as its undrawn committed revolver credit facility of U.S.\$2.0 billion, debt financing from banks or capital markets or the issuance of equity to the extent necessary. Where available, the Group intends to finance terminal development and expansion projects through non-recourse debt of the relevant terminal operating company. Further, many of the Group's expansion projects are not committed so it can slow capacity expansion if volume increases change. See "Risk Factors – Risks Related to the Certificates – Since the Company is a holding company and substantially all of its operations are conducted through its subsidiaries, unconsolidated joint ventures and associates, its ability to make payments under the Transaction Documents, depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities" and "Risk Factors – Risks Related to the Group – The Group's businesses require substantial capital investment, and the Group may

not have sufficient capital to make, or may be restricted by covenants in its financing agreements from making, future capital expenditures and other investments as it deems necessary or desirable".

### **Cash flows**

The following table shows certain information about the consolidated cash flows of the Group for the periods indicated.

	<b>Six months ended 30</b>		<b>Year ended 31 December</b>		
	<b>June</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<i>(U.S. dollars in thousands)</i>				
Net cash provided by operating activities.....	1,045,600	869,952	1,951,490	2,207,873	1,844,537
Net cash (used in) investing activities.....	(965,174)	(1,007,755)	(2,107,063)	(585,985)	(1,258,877)
Net cash from/(used in) financing activities.....	(640,765)	189,535	1,326,859	(1,481,385)	(701,274)
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>(560,339)</b>	<b>51,732</b>	<b>1,171,286</b>	<b>140,503</b>	<b>(115,614)</b>
Cash and cash equivalents at 1 January.....	2,614,710	1,483,679	1,483,679	1,299,391	1,436,595
Effect of exchange rate fluctuation on cashflow.....	(4,565)	(23,248)	(40,255)	43,785	(21,590)
<b>Cash and cash equivalents at period end.....</b>	<b>2,049,806</b>	<b>1,512,163</b>	<b>2,614,710</b>	<b>1,483,679</b>	<b>1,299,391</b>

#### *Net cash provided by operating activities*

Net cash provided by operating activities for the six months ended 30 June 2019 was U.S.\$1,045.6 million. This amount was primarily the result of gross cash flow from operations.

Net cash provided by operating activities for the year ended 31 December 2018 was U.S.\$1,951.5 million. This amount was primarily the result of gross cash flow from operations.

Net cash provided by operating activities for the year ended 31 December 2017 was U.S.\$2,207.9 million. This amount was primarily the result of an increase in revenue.

#### *Net cash (used in) investing activities*

Net cash used in investing activities for the six months ended 30 June 2019 was U.S.\$965.2 million consisting primarily of capital expenditures in the UAE and Ecuador.

Net cash used in investing activities for the year ended 31 December 2018 was U.S.\$2,107.1 million consisting primarily of new acquisitions and expansion in the UAE, Ecuador and London Gateway (U.K.).

Net cash used in investing activities for the year ended 31 December 2017 was U.S.\$586.0 million consisting primarily of London Gateway (U.K.), Berbera (Somaliland), Prince Rupert (Canada) and Jebel Ali (UAE).

Net cash used in investing activities for the year ended 31 December 2016 was U.S.\$1,258.9 million consisting primarily of Jebel Ali (UAE), Prince Rupert (Canada), Mumbai (India) and Yarimca (Turkey).

#### *Net cash from/(used in) financing activities*

Net cash used in financing activities for the six months ended 30 June 2019 was U.S.\$640.8 million. This amount was primarily the result of interest payments, repayment of the JAFZ Sukuk (as defined below) and a dividend payment.

Net cash from financing activities for the year ended 31 December 2018 was U.S.\$1,326.9 million. This amount was primarily due to a multiple tranche bond issuance.

Net cash used in financing activities for the year ended 31 December 2017 was U.S.\$1,481.4 million. This amount was primarily the result of debt repayments, redemption of certain trust certificates issued under the Programme, interest paid and a dividend paid.

Net cash used in financing activities for the year ended 31 December 2016 was U.S.\$701.3 million. This amount was primarily the result of debt repayments, partial redemption of certain trust certificates issued under the Programme and interest paid.

## **Capital expenditures**

*The following discussion of the Group's capital expenditures relates to all consolidated terminals. Capital expenditures include the Group's investments in plant and equipment relating to its business but do not include corporate acquisitions, such as the EZW and DP World Prince Rupert (Canada) acquisitions.*

The total capital expenditure for 2019 is estimated at U.S.\$1.4 billion with investments planned in the UAE, Posorja (Ecuador), Berbera (Somaliland), Sokhna (Egypt), London Gateway (U.K.), Chile, Fraser Surrey Docks (Canada), Australia, P&O Ferries and Topaz. During the first half of 2019, U.S.\$636 million was invested across the existing portfolio.

For the years ended 31 December 2018, 31 December 2017 and 31 December 2016, the Group had capital expenditures of U.S.\$908.2 million, U.S.\$1,089.7 million and U.S.\$1,298.1 million, respectively.

The total capital expenditure for the year ended 31 December 2018 was U.S.\$908.2 million, of which 55 per cent. was spent on the expansion of new capacity in existing terminals and 30 per cent. was spent on the development of new terminals. This included capital expenditures on addition of further capacity in the UAE, Pusan (South Korea) and Maputo (Mozambique) as well as investments in Posorja (Ecuador), Sokhna (Egypt) and London Gateway (U.K.). Globally, the Group added approximately 2.3 million TEU of new gross capacity to take total capacity to 90.5 million TEU. The Group's maintenance capital expenditure for the year ended 31 December 2018 was U.S.\$140.0 million.

The total capital expenditure for the year ended 31 December 2017 was U.S.\$1,089.7 million, of which 86.9 per cent. was spent on the expansion of new capacity in existing terminals and 2.8 per cent. was spent on the development of new terminals. This included capital expenditures on new capacity in Jebel Ali (UAE), Jebel Ali Free Zone (UAE), London Gateway (U.K.), Prince Rupert (Canada) and Berbera (Somaliland) amongst others. Globally, the Group added approximately 3.6 million TEU of new gross capacity to take total capacity to 88.2 million TEU. The Group's maintenance capital expenditure for the year ended 31 December 2017 was U.S.\$113 million.

The total capital expenditure for the year ended 31 December 2016 was U.S.\$1,298.1 million, of which 83.6 per cent. was spent on the expansion of new capacity in existing terminals and 3.3 per cent. was spent on the development of new terminals. The Group completed work on Terminal 4 at Jebel Ali and added additional capacity, which brought Jebel Ali to 18 million TEU by the end of 2016. Capital expenditure in the Middle East, Europe and Africa segment was focused on Jebel Ali (UAE), Jebel Ali Free Zone (UAE), London Gateway (U.K.) and Yarimca (Turkey). Further, the Group had capital expenditure of U.S.\$81 million in the Asia-Pacific and Indian Subcontinent segment, mainly focused on capacity expansion in Mumbai (India). Lastly, in the Australia and Americas segment, the Group invested U.S.\$156 million capital expenditure in its terminals across this region during the year, mainly focused on Prince Rupert (Canada).

Alongside investing for the sustainable growth of its business, the Group also continually reviews its portfolio, disposing of or monetising assets where it makes strategic sense to do so.

The Group expects to finance its future commitments for capital expenditures for capacity increases or expansion projects, including in respect of the Group's nine new developments and major expansion projects, through cash from operations, as well as debt financing or equity to the extent necessary. Where available, the Group intends to finance terminal development through non-recourse debt at the relevant terminal operating company level. The Group intends to finance expansion projects through cash from operations and additional funding, if required. In addition, the Group may elect or be required to make additional capital expenditures related to its concessions in the future and, as a result, the Group's future capital expenditures may be significantly higher than the Group's contractual obligations (see further "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness – Contractual maturities*"). The Group believes that its operating cash flows and borrowing capacity, taken together, provide adequate resources to fund capital expenditures relating to the Group's ongoing operations and future investments associated with the expansion of its business for the foreseeable future.

## **Indebtedness**

The Group's outstanding indebtedness, which is the Group's amount of gross debt, as at 30 June 2019 was U.S.\$13,493.8 million compared to U.S.\$10,553.0 million and U.S.\$7,739.0 million as at 31 December

2018 and 31 December 2017, respectively. This was comprised principally of the indebtedness listed below (see further Note 30 (*Interest bearing loans and borrowings*) to the DPW 2018 Financial Statements).

Additionally, in July 2019, the Company issued U.S.\$300,000,000 5.625 per cent. Notes due September 2048 (to be consolidated and form a single series with the Original 2048 Notes) under the GMTN Programme. Also, in July 2019, the Trustee issued U.S.\$1,000,000,000 Trust Certificates due July 2029 under the Programme, where holders are entitled to periodic distributions in the amount of 3.875 per cent. of the aggregate face amount of the trust certificates.

#### *Syndicated loan facility*

On 30 June 2014, the Company entered into agreements (the "**Syndicated Facilities Documentation**") documenting unsecured syndicated conventional and murabaha term and revolving loan facilities (the "**Syndicated Facilities**").

The Syndicated Facilities comprise U.S.\$2,000,000,000 multicurrency facilities made up of: (i) a U.S.\$1,390,000,000 conventional revolving credit facility with a final maturity date of 30 June 2023 which includes a margin stepdown if certain emission levels are met; and (ii) a U.S.\$610,000,000 Islamic revolving murabaha facility with a final maturity date of 30 June 2019 (the "**Murabaha Facility**"). The Syndicated Facilities are permitted to be used for the general corporate purposes of the Company and its subsidiaries. Interest/profit on the Syndicated Facilities is payable based on a specified margin over either EURIBOR or LIBOR. As at 31 December 2018, U.S.\$2,000,000,000 was available to be drawn under the Syndicated Facilities.

#### *Repayment and voluntary prepayments*

All outstanding borrowed amounts under the conventional facility and the Murabaha Facility must be repaid on the applicable final maturity date. The Syndicated Facilities Documentation provides for voluntary prepayments of outstanding borrowed amounts and voluntary cancellations of unutilised commitments on customary terms. Amounts prepaid under either the conventional facility or the Murabaha Facility may be reborrowed. The Syndicated Facilities Documentation also contains mandatory prepayment provisions which the Company believes are usual and customary for facilities of this type.

#### *Change of control*

The Syndicated Facilities Documentation contains a mandatory prepayment change of control provision whereby an individual lender/murabaha participant can call for repayment of its share of outstanding borrowings if the Government ceases to own, either directly or indirectly, at least 50 per cent. of the issued share capital of the Company or otherwise ceases to control, either directly or indirectly, the Company.

#### *Undertakings and covenants*

The Syndicated Facilities Documentation contains affirmative and negative undertakings which the Company believes are usual and customary for facilities of this type. In addition, the Syndicated Facilities Documentation contains a total net debt to consolidated total net debt plus equity financial covenant, where equity refers to the amount of equity on the balance sheet of the Company.

#### *Events of default*

The Syndicated Facilities Documentation contains certain customary events of default.

#### ***Issuances under the DP World U.S.\$10,000,000,000 Global Medium Term Note Programme***

The Company has established a global medium term note programme for the issue of medium term notes up to an aggregate face amount of U.S.\$10,000,000,000 (the "**GMTN Programme**"). As at 30 June 2019, the Company had issued the following medium term notes under the GMTN Programme:

- U.S.\$500,000,000 3.25 per cent. Notes due May 2020 issued on 18 May 2015;
- EUR750,000,000 2.375 per cent. Notes due September 2026 issued on 25 September 2018;
- GBP350,000,000 4.25 per cent. Notes due September 2030 issued on 25 September 2018;

- U.S.\$1,750,000,000 6.85 per cent. Notes due July 2037 issued on 2 July 2007; and
- U.S.\$1,000,000,000 5.625 per cent. Notes due September 2048 issued on 25 September 2018 (the "**Original 2048 Notes**"),

(together, the "**DPW Notes**") in each case, listed on the London Stock Exchange and Nasdaq Dubai.

#### *Ranking*

The DPW Notes are senior unsecured obligations of the Company and rank equally in right of payment to all of the Company's existing and future senior indebtedness and senior in right of payment to all of the Company's existing and future subordinated debt.

#### *Repayment and redemption*

Upon the occurrence of a change of control of the Company, each holder of the DPW Notes has the right to require the Company to repurchase such holder's DPW Notes at a purchase price in cash equal to 100 per cent. of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. Subject to certain limited exceptions, the DPW Notes may not be redeemed at the Company's option prior to maturity. Unless previously redeemed or purchased and cancelled, the DPW Notes must be redeemed at par on the maturity date.

#### *Change of control*

The GMTN Programme is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of the Company's issued share capital.

#### *Covenants*

The GMTN Programme contains affirmative and negative undertakings that the Company believes are usual and customary for debt securities of this type and which are similar to those relating to the Certificates offered hereunder.

#### *Events of default*

The DPW Notes are subject to certain customary events of default that, if any of them occurs, would permit the principal of and accrued interest on the DPW Notes to be declared due and payable.

#### *Issuances under the Programme*

As at 30 June 2019, the Company, through the Trustee, had issued the following trust certificates under the Programme:

- U.S.\$1,200,000,000 Trust Certificates due May 2023 issued on 31 May 2016, where holders are entitled to periodic distributions in the amount of 3.908 per cent. of the aggregate face amount of the trust certificates; and
- U.S.\$1,000,000,000 Trust Certificates due September 2028 issued on 26 September 2018, where holders are entitled to periodic distributions in the amount of 4.848 per cent. of the aggregate face amount of the trust certificates,

(together, the "**DPW Trust Certificates**") in each case, listed on the London Stock Exchange and Nasdaq Dubai.

#### *Ranking*

The DPW Trust Certificates are senior unsecured obligations of DP World Crescent Limited and the Company's payment obligations under the transaction documents related to the DPW Trust Certificates are senior unsecured obligations of the Company and rank equally in right of payment to all of the Company's existing and future senior indebtedness and senior in right of payment to all of the Company's existing and future subordinated debt.



### *Repayment and redemption*

Upon the occurrence of a change of control of the Company, each holder of the DPW Trust Certificates has the right to require DP World Crescent Limited and the Company to redeem such holder's DPW Trust Certificates at an exercise price in cash equal to 100 per cent. of the nominal amount thereof, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date. Subject to certain limited exceptions, the DPW Trust Certificates may not be redeemed at DP World Crescent Limited's or the Company's option prior to scheduled redemption. Unless previously redeemed or purchased and cancelled, the DPW Trust Certificates must be redeemed at par on the scheduled redemption date.

### *Change of control*

The Programme is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of the Company's issued share capital.

### *Covenants*

The Programme contains affirmative and negative undertakings that the Company believes are usual and customary for debt securities of this type and which are similar to those relating to the Certificates offered hereunder.

### *Dissolution events*

The DPW Trust Certificates are subject to certain customary dissolution events that, if any of them occurs, would permit a specified proportion of holders to require the trust to be dissolved and the aggregate nominal amount and accrued and unpaid periodic distribution amounts, if any, becoming due and payable.

### *Convertible Bonds*

On 19 June 2014, the Company issued senior unsecured convertible bonds due 2024 with a principal amount of U.S.\$1,000,000,000 (the "**Convertible Bonds**") convertible into 36.85 million ordinary shares of the Company. The Convertible Bonds are currently listed on the Frankfurt Stock Exchange and bear interest at an annual rate of 1.75 per cent. The Convertible Bonds include an investor put option which can be exercised at par in June 2018 (year 4) and in June 2021 (year 7). There is also an issuer call option which can be exercised from July 2017 onwards (year 3), subject to a 130 per cent. trigger on the conversion price of U.S.\$27.14.

### *Ranking*

The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Company save, in the event of a winding up, for such obligations that may be preferred by provisions of law that are mandatory and of general application.

### *Change of control*

Upon the occurrence of a change of control, each holder of the Convertible Bond has the right to require the Company to either: (i) redeem its Convertible Bond at par plus accrued interest; or (ii) convert the Convertible Bonds into ordinary shares of the Company. A change of control shall occur if the Government: (a) ceases to hold (directly or indirectly) at least 50 per cent. of the Company's issued share capital, or otherwise ceases to control (directly or indirectly) the Company (for instance, by way of control of the board of directors); or (b) owns, directly or indirectly, more than 85 per cent. of the Company.

### *Covenants*

The Convertible Bonds have the benefit of a negative pledge which is usual and customary for debt securities of this type. Subject to certain exceptions in respect of project finance indebtedness and securitisation indebtedness, none of ordinary shares of the Company or any of its subsidiaries is permitted to grant security over capital markets securities, unless at the same time it grants the same security to the Convertible Bonds.

The negative pledge does not apply to permitted security, which includes, for instance, secured debt securities of a target entity, provided that such entity is merged into or consolidated into the Company or any of its subsidiaries, or security over property or assets subsequently acquired by a member of the Group as long as the security was not created in contemplation of the acquisition.

#### *Events of default*

The Convertible Bonds are subject to certain customary events of default, and upon the occurrence of an event of default, the Convertible Bonds are redeemable at par plus accrued interest.

#### **JAFZ Sukuk**

On 19 June 2012, JAFZ Sukuk (2019) Limited (a DIFC special purpose vehicle) issued U.S.\$650,000,000 Trust Certificates due June 2019 ("**JAFZ Sukuk**"), where holders were entitled to periodic distributions in the amount of 7.00 per cent. of the aggregate face amount of the trust certificates. The Group assumed this indebtedness in its acquisition of EZW in March 2015. In September 2018, the Group conducted a tender offer whereby the Group accepted U.S.\$413,461,000 in aggregate face amount of the JAFZ Sukuk trust certificates which were tendered. On 19 June 2019, an aggregate amount of U.S.\$232 million was paid in connection with the final redemption of the JAFZ Sukuk.

#### *Contractual maturities*

The following table presents the contractual maturities of the Group's financial liabilities as at 31 December 2018.

	Payments due by period				Total
	Less than 1 year	1-2 years	2-5 years	More than 5 years	
	<i>(U.S. dollars in thousands)</i>				
<b>Non derivative financial liabilities:</b>					
Issued bonds.....	(570,850)	(823,503)	(2,119,742)	(8,635,861)	(12,149,956)
Convertible bonds.....	(17,500)	(17,500)	(52,500)	(1,008,750)	(1,096,250)
Bank loans.....	(208,898)	(177,171)	(1,100,230)	(2,238,904)	(3,725,203)
Loans from non-controlling shareholders.....	(1,000)	(10,904)	(45,070)	(117,931)	(174,905)
Finance lease liabilities.....	(7,031)	(9,525)	(6,350)	(6,751)	(29,657)
Trade and other payables.....	(1,851,740)	(49,187)	(27,471)	(36,990)	(1,965,388)
Financial guarantees and letters of credit.....	—	—	—	—	(199,358)
<b>Derivative financial liabilities:</b>					
Interest rate swaps used for hedging.....	(22,555)	(21,564)	(40,520)	(1,954)	(86,593)
Embedded derivative option.....	—	—	—	—	—
<b>Total.....</b>	<b>(2,679,574)</b>	<b>(1,109,354)</b>	<b>(3,391,883)</b>	<b>(12,047,141)</b>	<b>(19,427,310)</b>

In addition, the Group has operating lease obligations that mainly consist of terminal operating leases arising out of concession arrangements which are long-term in nature. There are also leases of plant, equipment and vehicles. In respect of terminal operating leases, contingent rent is payable based on revenues/profits earned in the future period. The majority of leases contain renewable options for additional periods at rental rates based on negotiations or prevailing market rates. As at 31 December 2018, the Group had operating lease obligations totalling U.S.\$7,816.5 million, of which U.S.\$308.6 million were less than one year, U.S.\$894.3 million were between one to five years and U.S.\$6,613.6 million were more than five years.

As at 31 December 2018, the Group had net pension liabilities of U.S.\$164.1 million. The Group has agreed with the pension trustee board of its various pension schemes to make contributions of U.S.\$23.9 million in 2019. The future payment schedule of the pension liabilities will be determined at the end of each year for the following year based on the returns from the pension scheme assets and the resulting deficit commitments.

In July 2019, the Company issued U.S.\$300,000,000 5.625 per cent. Notes due September 2048 (to be consolidated and form a single series with the Original 2048 Notes) under the GMTN Programme. Also, in July 2019, the Trustee issued U.S.\$1,000,000,000 Trust Certificates due July 2029 under the Programme, where holders are entitled to periodic distributions in the amount of 3.875 per cent. of the aggregate face amount of the trust certificates. These issuances had a significant impact on the Group's financial liabilities recorded after 31 December 2018.

## **Off-Balance Sheet Arrangements**

As at 30 June 2019, the Group does not have any off-balance sheet arrangements that have or are reasonably expected to have a material current or future effect on its financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

## **Quantitative and Qualitative Disclosures about Market Risk**

### ***Credit risk***

The Group seeks to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the Group's other financial assets, which comprise cash and cash equivalents and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risk with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries, where there is a commercial rationale to do so. Guarantees may also be provided to equity-accounted investees in very limited circumstances for the Group's share of obligation. The provision of guarantees always requires the approval of senior management.

For additional discussion of the Group's exposure to credit risk and associated impairment allowance, see Note 27 (*Financial Risk Management*) to the DPW 2018 Financial Statements.

### ***Liquidity risk***

The Group has cash balances and undrawn committed facilities to provide liquidity as required. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase. As at 31 December 2018, committed undrawn facilities totalled U.S.\$2,000.0 million. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness – Syndicated loan facility*" above for a description of the Syndicated Facilities.

### ***Market risk***

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines specified in the Group's treasury policy. Generally, the Group seeks to apply IFRS hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

### ***Currency risk***

The Company's functional currency is UAE dirhams and its presentation currency is the U.S. dollar. The functional and reporting currency of the Group's subsidiaries, affiliates and associates varies depending on their geographic location. Accordingly, the Group is exposed to risks related to the translation of assets and liabilities denominated in currencies other than, or not pegged to, the U.S. dollar.

As at 31 December 2018, 63.9 per cent. of the Group's Net Operating Assets were denominated in foreign currencies (i.e., other than the functional currency of the Company, UAE dirhams). The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated. Generally, borrowings are denominated in currencies that match the cash flows generated

by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency (U.S. dollar) further reducing the risk of currency movements.

However, a portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using foreign currency forward exchange contracts is undertaken to reduce the short-term effect of currency movements. When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using foreign currency forward exchange contracts in order to fix the cost when converted to the functional currency.

For additional discussion of the impact of foreign currency transactions and translations on the Group's results of operations, see Note 27 (*Financial Risk Management*) to the DPW 2018 Financial Statements.

#### ***Interest rate risk***

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/floating interest rate and bank deposits. The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

As at 31 December 2018, after taking into account the effect of interest rate swaps, approximately 91 per cent. of the Group's borrowings carried interest at fixed rates. Not taking into account the effect of interest rate swaps hedging floating rate debt, U.S.\$8,097.2 million of the Group's financial liabilities carried interest at fixed rate as at 31 December 2018 while U.S.\$2,455.8 million of the Group's financial liabilities carried interest at floating rate as at the same date.

For additional discussion of the impact of interest rate movements on the Group's results of operations, see Note 27 (*Financial Risk Management*) to the DPW 2018 Financial Statements.

#### **Critical Accounting Policies and Estimates**

The preparation of the Group's financial statements in conformity with IFRS requires the Group to make many estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. Those estimates and judgments are based on historical experience, available information, future expectations and other factors and assumptions that the Group believes are reasonable under the circumstances. The Group reviews its estimates and judgments on an ongoing basis and revises them when necessary. Actual results may differ from the original or revised estimates. A description of the Group's most critical policies, which the Group believes involve a significant degree of judgment or complexity or are areas where assumptions and estimates are significant to the preparation of its financial statements is set forth in Note 2(a) (*Use of estimates and judgements*) to the DPW 2018 Financial Statements.

## RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over it in making financial and operating decisions, or *vice versa*, or where the Group and the party are subject to common control or significant influence, i.e. part of the same parent group.

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, PFZW, Dubai World and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. The terms and conditions of the related party transactions were made on an arm's length basis. Dubai World operates a shared services unit ("SSU") which recharges the proportionate costs of services provided to the Group. SSU also processes the payroll for the Company and certain subsidiaries and recharges the respective payroll costs.

Transactions with related parties included in the consolidated financial statements are as follows.

	Six months ended 30 June 2019			Total
	Ultimate parent company <sup>(1)</sup>	Equity- accounted investees	Other related parties	
	<i>(U.S. dollars in thousands)</i>			
<i>Expenses charged:</i>				
Concession fee .....	—	—	4,113	4,113
Shared services.....	—	—	157	157
Other services <sup>(2)</sup> .....	—	—	9,996	9,996
Finance costs.....	—	—	29,054	29,054
<i>Revenue earned:</i>				
Revenue .....	—	—	7,151	7,151
Management fee <sup>(3)</sup> .....	—	7,000	8,720	15,720
Finance income .....	—	5,869	—	5,869

(1) Ultimate parent company refers to Dubai World.

(2) Other services includes mainly marine services fee, property management fee and IT services.

(3) Management fee income relates to management fee charged to various joint venture associates in accordance with the management fee agreements with these entities.

	Year ended 31 December 2018			Total
	Ultimate parent company <sup>(1)</sup>	Equity- accounted investees	Other related parties	
	<i>(U.S. dollars in thousands)</i>			
<i>Expenses charged:</i>				
Concession fee .....	—	—	50,338	50,338
Shared services.....	—	—	529	529
Other services <sup>(2)</sup> .....	—	—	21,366	21,366
Interest expense.....	1,904	—	—	1,904
<i>Revenue earned:</i>				
Revenue .....	—	—	12,875	12,875
Management fee <sup>(3)</sup> .....	—	16,238	18,085	34,323
Interest income.....	2,703	31,321	—	34,024

(1) Ultimate parent company refers to Dubai World.

(2) Other services includes mainly marine services fee, property management fee and IT services.

(3) Management fee income relates to management fee charged to various joint venture associates in accordance with the management fee agreements with these entities.

Year ended 31 December 2017				
Ultimate parent company <sup>(1)</sup>	Equity-accounted investees	Other related parties	Total	
<i>(U.S. dollars in thousands)</i>				
<i>Expenses charged:</i>				
Concession fee .....	—	—	49,517	<b>49,517</b>
Shared services.....	—	—	736	<b>736</b>
Other services <sup>(2)</sup> .....	—	—	19,923	<b>19,923</b>
Interest expense.....	—	—	—	—
<i>Revenue earned:</i>				
Revenue .....	—	—	12,483	<b>12,483</b>
Management fee <sup>(3)</sup> .....	—	19,366	18,176	<b>37,542</b>
Interest income.....	—	28,368	—	<b>28,368</b>

(1) Ultimate parent company refers to Dubai World.

(2) Other services includes mainly marine services fee, property management fee and IT services.

(3) Management fee income relates to management fee charged to various joint venture associates in accordance with the management fee agreements with these entities.

Balances with related parties included in the consolidated statement of financial position are as follows.

	As at 30			As at 30		
	June	As at 31 December		June	As at 31 December	
	2019	2018	2017	2019	2018	2017
	Due from related parties			Due to related parties		
<i>(U.S. dollars in thousands)</i>						
Ultimate parent company <sup>(1)</sup> .....	2,396	2,383	2,217	1,509	1,605	219
Parent company <sup>(2)</sup> .....	—	—	902	5	565	5
Equity-accounted investees .....	133,380	375,751	347,289	3,078	2,067	3,107
Other related parties .....	34,920	24,872	13,001	12,923	11,663	8,911
<b>Total</b> .....	<b>170,696</b>	<b>403,006</b>	<b>363,409</b>	<b>17,515</b>	<b>15,900</b>	<b>12,242</b>

(1) Ultimate parent company refers to Dubai World.

(2) Parent company refers to PFZW.

Guarantees issued on behalf of equity-accounted investees amounted to U.S.\$42.8 million as at 31 December 2018 (2017: U.S.\$25.8 million).

In addition, on 11 January 2018, the Group acquired a 100 per cent. stake in Drydocks and DMC from Dubai World (see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Financial Condition and Results of Operations – Acquisitions and divestments").

On 2 May 2019, the Group announced a development project in Port Rashid in Dubai which will be developed by Emaar. In June 2019, the Group sold a plot of land to Emaar for development of the Mina Rashid area and the Group will receive approximately U.S.\$450 million between the fourth and ninth year after commencement of operations as well as 30 per cent. of future profits.

## DESCRIPTION OF DP WORLD

### Overview

The Group is a leading enabler of global trade and an integral part of the supply chain. The Group operates multiple yet related businesses spanning marine and inland terminals, maritime services, logistics and ancillary services and technology-driven trade solutions. The Group organises its business into three divisions: (i) port and terminals; (ii) parks, logistics and economic zones ("**PLEZ**"); and (iii) maritime services.

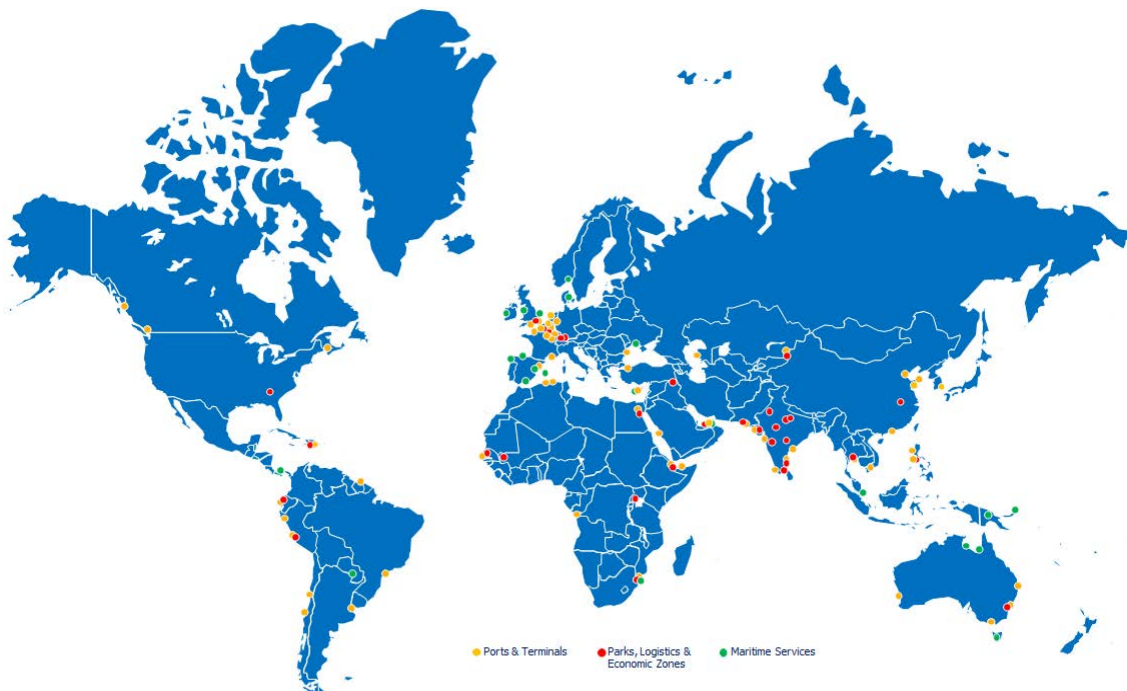
The ports and terminals division aims to meet the needs of dynamic global supply chains, as the Group develops and operates trade-enabling, strategically located, and state of the art infrastructure and services, including marine terminals, inland terminals, and cruise terminals. The ports and terminals division is the Group's largest division and represented approximately 76.1 per cent. of the Group's revenues for the year ended 31 December 2018.

The PLEZ division aims to provide end-to-end customer experience, by delivering integrated solutions across the containerised value chain, including industrial parks and economic zones as well as logistics services. The PLEZ division represented approximately 12.9 per cent. of the Group's revenues for the year ended 31 December 2018.

The maritime services division aims to complement the Group's global trade services, by providing maritime solutions through a wide portfolio of specialist vessels, river barging, chartering and port services. The maritime services division represented approximately 11.1 per cent. of the Group's revenues for the year ended 31 December 2018.

As at 31 December 2018, the Group managed over 150 operations in over 45 countries across six continents with a significant presence in both high-growth and mature markets. The Group aims to be essential to the future of global trade, ensuring everything it does has a long-lasting positive impact on economies and societies. As at 31 December 2018, the Group's portfolio had a gross capacity of 90.5 million TEU and, for the year ended 31 December 2018, the Group generated gross throughput of 71.4 million TEU, revenue of U.S.\$5,646.3 million, profit for the year of U.S.\$1,357.6 million and an Adjusted EBITDA of U.S.\$2,808.0 million.

The following map sets out the countries in which the Group has operations:



For the purposes of financial reporting, the Group has the following three geographical segments:

- Middle East, Europe and Africa – over 70 operations in 27 countries as at 30 June 2019;
- Australia and Americas – over 30 operations in 13 countries as at 30 June 2019; and
- Asia-Pacific and Indian Subcontinent – over 40 operations in nine countries as at 30 June 2019.

The following table compares the Group's gross throughput by geographic segment for the six months ended 30 June 2019 to the six months ended 30 June 2018.

	Six months ended 30 June 2019	Six months ended 30 June 2018	Percentage growth
	<i>(TEU in thousands, unless %)</i>		
Middle East, Europe and Africa .....	15,138	15,591	(2.9)%
Australia and Americas .....	4,428	4,408	0.4%
Asia-Pacific and Indian Subcontinent .....	16,246	15,621	4.0%
<b>Gross throughput .....</b>	<b>35,811</b>	<b>35,620</b>	<b>0.5%</b>

The Group's principal executive offices are located at JAFZA 17, Jebel Ali Free Zone, Dubai, UAE. The Group's registered office is P.O. Box 17000, Dubai, UAE and its telephone number is +971 4 881 1110. The Group's website address is [www.dpworld.com](http://www.dpworld.com). The information contained on this website is not incorporated by reference into, or otherwise included in, this Base Prospectus.

## History

The Company was incorporated in the DIFC on 9 August 2006 for the purpose of becoming the holding company for the ports-related commercial activities of Dubai World. On 1 January 2007, DP World FZE and Thunder FZE, which is the holding company for P&O, were transferred to the Company from Dubai Ports Authority, an affiliate of the Company. Prior to the transfer of DP World FZE and Thunder FZE, the Company did not have any operations. As a result of the transfer, the Company, together with its operating subsidiaries, conducts all of the ports-related commercial activities of Dubai World. Dubai Ports Authority continues to conduct all of the ports-related regulatory activities of the Government. Such regulatory activities have not been and will not be transferred to the Company.

With effect from 12 November 2018, the Company changed its form from a company limited by shares to a public company. As of the same date, the Company amended its legal name from "DP World Limited" to "DP World PLC".

As described below, as a result of the winning of new concessions around the world and the Group's acquisitions of CSX World Terminals ("**CSX WT**"), P&O and the EZW Group, the Group's business became focused principally on container terminal operations located primarily in the UAE to a truly global container terminal business. Since then the Group's acquisitions have further expanded its operations to become an enabler of global trade and an integral part of the supply chain. Set out below are some of the milestones the Group has achieved over the years.

### ***1972-1998: Local port operator***

- 1972. Development of Port Rashid (UAE).
- 1979. Opening of Jebel Ali Port (UAE).
- 1991. Port Rashid and Jebel Ali Port operations combined creating Dubai Ports Authority ("**DPA**").

### ***1999-2004: Regional port operator***

- 1999. Dubai Ports International FZE ("**DPI**") formed.
- 2000. Concessions won in Jeddah (the Kingdom of Saudi Arabia) and Doraleh (Djibouti).
- 2002. Concession won in Visakhapatnam (India).



- 2003. Concession won in Constanta (Romania).
- 2004. Concession won in Cochin (India).

***2005-2017: Global port operator***

- 2005. Acquired CSX WT. DPI rebranded under the name of "DP World" and separated from DPA.
- 2006. Acquired P&O (the "**P&O Acquisition**").
- 2006-2007. Global network and market position increased in Asia, India, Australia, the Americas, Europe and Africa.
- 2007. DP World listed on Nasdaq Dubai.
- 2013. Commenced operations at London Gateway (U.K.).
- 2014. Commenced operations at Jebel Ali Terminal 3 (UAE).
- 2015. Acquired EZW, a global developer and operator of economic zones.
- 2016. Concession won for the development of a greenfield multi-purpose port project at Posorja (Ecuador).
- 2016. Acquired an additional 23.94 per cent. stake in PNC (South Korea) from Samsung Corporation and its subsidiaries, increasing the Group's holding in PNC to 66.03 per cent.
- 2017. Acquired an additional 66.67 per cent. stake in Embraport (Brazil) which increased the Group's shareholding to 100 per cent. and the terminal was rebranded to DP World Santos.

***2018-present: Global trade enabler***

- 2018. Acquired Drydocks and Dubai Maritime City (UAE).
- 2018. Created investment platform with NIIF of up to U.S.\$3 billion to invest in ports, transportation and logistics sector in India.
- 2018. Joint acquisition of logistics business Continental Warehousing Corporation (India) with NIIF.
- 2018. Acquired Cosmos Agencia Marítima (Peru), which owns a fully integrated logistics service business.
- 2018. Concession won for greenfield multi-purpose port in Banana (Democratic Republic of Congo).
- 2018. Concession won to build a free trade warehousing zone in Jawaharlal Nehru Port Trust (Navi Mumbai).
- 2018. Acquired Unifeeder (Denmark), the largest container feeder and growing shortsea network operator in Europe.
- 2019. Acquired P&O Ferries and P&O Ferrymasters, a pan European integrated logistics business.

**Listing of Shares**

On 26 November 2007, the entire issued share capital of the Company was admitted to the official list of securities of Nasdaq Dubai.

## Shareholders

The following table shows the beneficial owners of, and their respective interests in, the ordinary shares of the Company as at 30 June 2019:

	As at 30 June 2019	
	Number of shares	Issued share capital (%)
PFZW <sup>(1)</sup> .....	667,735,000	80.450
Public shareholders .....	162,243,724	19.547
Directors and senior managers .....	21,276	0.003
<b>Total</b> .....	<b>830,000,000</b>	<b>100.000</b>

(1) PFZW is a free zone establishment formed and registered under the laws promulgated by JAFZA. PFZW is controlled by Dubai World, which is a holding company owned by the Government.

Each of the ordinary shares held by PFZW has the same voting rights attached to it as one of the ordinary shares held by any other holder.

Other than PFZW, the Group is not aware of any shareholder that, directly or indirectly, jointly or severally, owns or could exercise control over the Company.

## Competitive Strengths

The Group is a leading enabler of global trade and an integral part of the supply chain. The Group operates multiple yet related businesses spanning marine and inland terminals, maritime services, logistics and ancillary services and technology-driven trade solutions. The Group organises its business into three divisions: (i) port and terminals; (ii) PLEZ; and (iii) maritime services. The Group believes its network of over 150 operations across six continents (as at 30 June 2019), with new developments underway in Asia, Africa and the Americas, provides it with complementary strengths, which together position it as a market leader in the global container terminal industry. Additionally, recent acquisitions have complemented its ports and terminals business by providing complementary services in its PLEZ and maritime service divisions. In particular, the Group believes that its business is characterised by the following key competitive strengths:

### *Stable and long-term cash flow*

The Group believes that its portfolio benefits from a focus on O&D throughput. O&D throughput is cargo that has to either go to, or be collected from, a particular terminal because of its proximity to the point of consumption or distribution. Since O&D throughput is usually handled most cost-effectively by one port, normally closest to the point of consumption or production, O&D throughput is less likely to be lost to competitors and less price sensitive than transshipment throughput. In addition, the Group operates its business through long-term concessions (with an average concession life of around 37 years), enabling better returns as the Group's assets mature. In addition, JAFZ benefits from stable and recurrent revenue from diverse sources, as a result of which JAFZ benefits from low volatility of operating income (see "*Description of DP World – Free Zone Business*").

### *Growth rates*

For the year ended 31 December 2018, approximately 75 per cent. of gross throughput in the Group's portfolio of terminals came from countries that are considered to be Emerging or Frontier Markets, which include the Middle East and Africa, South America, South Asia and the Far East (as such terms are defined by the MSCI Frontier and Emerging Market indices). These economies are generally seen to be higher growth areas. According to the IMF, emerging market and developing economies output is projected to grow by 4.4 per cent. in 2019 and by a further 4.8 per cent. in 2020 while, in comparison, the global world output is projected to grow by 3.3 per cent. and 3.6 per cent., respectively, in the same years (*source*: IMF World Economic Outlook, April 2019). The Group's focus on faster growing emerging markets coupled with more resilient O&D cargo enables the Group to grow volumes across its portfolio.

Moreover, the Group has extensive experience in developing new capacity around the globe, including constructing new terminals from both greenfield and brownfield sites, as a result of winning new concessions for operational terminals and through the expansion of terminals within its own portfolio. In

addition to the Group's existing portfolio increasing incremental capacity in line with customer demand, it currently has nine new developments and major expansion projects. These new development and major expansion projects give the Group flexibility to increase its existing gross capacity in line with market demand.

### ***High barriers to entry***

The Group's major operations enjoy leading positions in their respective geographic markets. Further, at these terminals, there are limited opportunities for competition from other port operators, other ports or other terminals within the same ports due to high barriers to entry. Some of these barriers include the limited number of port sites, the limited number of concessions available, government controls and high terminal construction costs. In particular, with the completion of the EZW Acquisition, the Group believes its ability to offer an "integrated port management" model at the Jebel Ali port by combining container handling facilities with economic free zones and infrastructure developments is a key differentiating factor relative to competition. The efficiencies promoted by Jebel Ali port's integrated logistics offering include two to three days road transit to anywhere in the GCC, which is considered a short transit time in the air cargo industry, and the ability to transport cargo to airport within 45 minutes of discharge from the Jebel Ali port.

In addition, the Group's long-term concession agreements also provide high barriers to entry and support long-term relationships with port authorities, shipping lines and joint venture partners. This means that there are few substitutes for the Group's services and the Group's business benefits from long-term GDP growth trends.

### ***Global network, managed locally***

The Group's terminals are managed locally and are supported operationally by the advantages of the Group's global network. With over 150 operations across six continents (as at 30 June 2019), with new developments underway in Asia, Africa and the Americas and approximately 8.9 per cent. of global market share of container port throughput on a gross throughput basis for the year ended 31 December 2018 (*source*: Drewry's Global Container Terminal Operators Annual Review and Forecast 2019), the Group believes that it has one of the most geographically diversified portfolio of terminals in the industry. The Group's asset base includes a diverse mixture of both established and newer terminals and a number of greenfield and brownfield projects that it is in the process of developing. The Group believes that this combination of development sites and fully operating facilities is key to facilitating its future growth strategies and ensuring that it is well positioned to meet its customers' requirements.

### ***Operational excellence***

The Group seeks to improve its operational efficiency and increase the capacity of its existing facilities by investing in advanced handling equipment. The Group is one of the innovators in the container terminal industry and has been successful in developing and enhancing container terminal capacity and efficiency in the regions in which it operates based on the needs and attributes of particular terminals while maintaining stringent safety standards. In 2018, the Group's terminals, in aggregate, handled 71.4 million TEU in gross volumes and had a high utilisation rate of 78.9 per cent. of its gross capacity, which was above the industry average for the same period. In light of the Group's increasing focus on automation (see "*Corporate Strategy – Strategic priorities*"), the Group believes that further improvements in its productivity and asset utilisation are possible over the coming years.

In 2018, the frequency of injuries per million hours worked, or lost time injury frequency rates (LTIFR), fell by 9.4 per cent. compared to 2017. During the same period, gross moves per hour (i.e., number of containers moved over the quay from and to a ship divided by the sum of hours in a period, for all cranes, between first lift and last lift) increased by 14.8 per cent.

### ***Experienced and international management team***

The Group's global business is run out of its head office in Dubai by the Company's Executive Committee (as set out under "*Management – Senior Management*"), who have significant industry experience. In addition, the Group's local operations are divided across three geographic areas, each managed by a senior executive, who has significant experience in the container terminal industry and extensive local and regional knowledge at the local level. Each senior executive is supported by a highly experienced team of local container terminal managers.

### **Recognised brand**

The Group is a recognised brand for delivering excellent customer service, with a commitment to good corporate governance and corporate responsibility. The Group's international achievements were recognised in 2019 with the "Supply Chain Sustainability Award" at the Gulf Petrochemicals and Chemicals Association Supply Chain Conference, the "Best Container Terminal – Europe" at the Asian Freight, Logistics and Supply Chain Awards, "The Supply Chain Hub of the Middle East" award at the Middle East Logistics Awards for the third consecutive year, and the "Port Operator of the Year" award at the FTA Multimodal Awards.

In 2018, the Group won the "Leading Cruise Port – Middle East" award for the Mina Rashid port for the 11<sup>th</sup> consecutive year at the World Travel Awards as well as the "Terminal Operator of the Year" at the Maritime Standard Awards and the "Lloyds Loading List – Port Operator of the Year" award at the Global Freight Awards.

In 2017, in recognition of its sustained business excellence and best practices, the Group won the "Dubai Quality Award", the "Best Seaport – Middle East" award for its flagship Jebel Ali port for the 24<sup>th</sup> consecutive year at the Asian Freight and Supply Chain Awards and the "Port of the Year" award for the Jebel Ali port for the eighth consecutive year at the Supply Chain and Transport Awards.

### **Corporate Strategy**



The Group's strategy is to lead the future of world trade. Its vision is to maximise shareholder value through leveraging its portfolio of world-class infrastructure assets, strengthen global supply chains and generate sustainable economic growth. The Group's three main strategic objectives are: (i) drive profitable and sustainable growth through a world-class portfolio of assets and services; (ii) develop new revenue streams through acquiring new customer segments and service portfolio; and (iii) maintain strategic advantage through investing in digital and innovative opportunities.

The Group seeks to deliver on its strategic objectives through its key business lines:

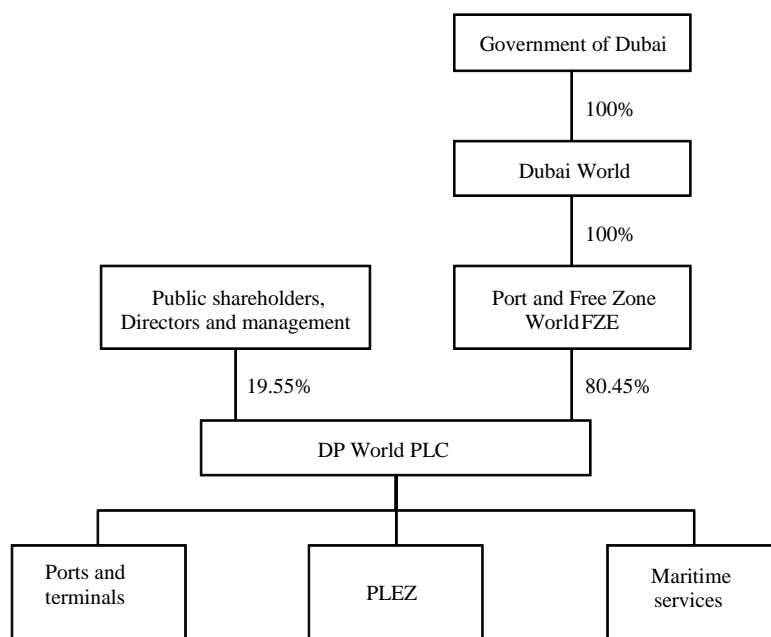
- *ports and terminals*: to meet the needs of dynamic global supply chains, the Group seeks to develop and operate trade-enabling, strategically located and state of the art infrastructure and services, including marine terminals, inland terminals, and cruise terminals;
- *PLEZ*: to provide end-to-end customer experience, the Group aims to deliver integrated solutions across the containerised value chain, including industrial parks, economic zones, and logistics services; and
- *maritime services*: to complement its global trade services, the Group seeks to provide maritime solutions through a wide portfolio of specialist vessels, river barging, chartering and port services.

The Group seeks to lead its business in following its strategy through the following:

- *customer relationship and operational excellence*: the Group's customers are a central focus and to ensure they remain completely satisfied with its global portfolio, the Group continually strives to improve and enhance its services; this operational excellence provides industry-leading processes and systems to benefit all its customers;
- *people, culture and safety*: the DP World Institute runs training and development programmes globally for employees and industry professionals across the supply chain. The Group has taken steps to seek to further embed a culture that nourishes diversity and innovation and the Group is fully committed to zero harm to people and creating a safety culture throughout;
- *community and environment*: the Group has made a major long-term investment, through the "Our World, Our Future" programme, to drive best practice and foster innovation in sustainability around the world. It has commitments and action plans to protect the environment and take steps towards building a vibrant, secure and resilient society;
- *finance, governance and risk*: the Group looks to adopt the highest standards of professionalism and ethical behaviour throughout the Group. As a global organisation, management believes the corporate governance policies followed by the Group are compatible with international best practice. The Group's approach to understanding, measuring and managing risk and returns from our investments helps to maintain its status as an industry leader; and
- *technology and innovation*: the Group invests in technology and innovation to provide its customers the best experience, build differentiated capabilities, and optimise its operations. It focuses on applying cutting edge technologies that will transform performance such as big data and analytics, robotics, and artificial intelligence.

### **Organisational, Reporting and Operational Structure**

Dubai World, through its shareholding of the Company's majority shareholder, PFZW, beneficially owns approximately 80.45 per cent. of the Company's issued and outstanding share capital (see "*Description of DP World – Shareholders*"). Dubai World itself is wholly-owned by the Government. The following chart illustrates the Group's organisational structure and the three business divisions for its principal business activities:



### ***Business divisions***

The following tables list the Group's operating businesses as at 30 June 2019 (the Group operates more than one terminal in certain businesses).

#### *Significant subsidiaries – ports*

<b>Legal name</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
Terminales Rio de la Plata SA	Argentina	Container terminal operations
DP World Australia (Holding) Pty Ltd	Australia	Container terminal operations
Empresa Brasileira de Terminais Portuarios S.A.	Brazil	Container terminal operations
DP World (Canada) Inc.	Canada	Container terminal operations
DP World Prince Rupert Inc.	Canada	Container terminal operations
DP World Saint John, Inc.	Canada	Container terminal operations
Puertos y Logistica S.A.	Chile	Container terminal operations
DP World Limassol Limited	Cyprus	Multi-purpose and general cargo terminal operations
DP World Sokhna SAE	Egypt	Container terminal operations
DP World Posorja S.A.	Ecuador	Container terminal operations
Chennai Container Terminal Private Limited	India	Container terminal operations
India Gateway Terminal Private Ltd	India	Container terminal operations
Mundra International Container Terminal Private Limited	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	India	Container terminal operations

<b>Legal name</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
DP World Middle East Limited	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A.	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	Pakistan	Container terminal operations
DP World Callao S.R.L.	Peru	Container terminal operations
Doraleh Container Terminal S.A. <sup>(1)</sup>	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	Romania	Container terminal operations
DP World Dakar SA	Senegal	Container terminal operations
DP World Berbera	Somaliland	Container terminal operations
Pusan Newport Co., Ltd	South Korea	Container terminal operations
DP World Tarragona SA	Spain	Container terminal operations
DP World Yarımca Liman İşletmeleri AS	Turkey	Container terminal operations
DP World UAE Region FZE	United Arab Emirates	Container terminal operations
London Gateway Port Limited	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	Vietnam	Container terminal operations

(1) This entity has been deconsolidated from the financial statements due to the dispute between the Group and the Djibouti government. For more information, see "Description of DP World – Legal Proceedings".

*Significant associates and joint ventures – ports*

<b>Legal name</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
Djazair Port World Spa	Algeria	Container terminal operations
DP World DjenDjen Spa	Algeria	Container terminal operations
Antwerp Gateway N.V	Belgium	Container terminal operations
Caucedo Investments Inc.	British Virgin Islands	Container terminal operations
Eurofos SARL	France	Container terminal operations
Generale de Manutention Portuaire S.A	France	Container terminal operations
Goodman DP World Hong Kong Limited	Hong Kong	Container terminal operations and warehouse operations
Visakha Container Terminals Private Limited	India	Container terminal operations

Rotterdam World Gateway B.V.	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Ltd	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	People's Republic of China	Container terminal operations
Terminales Portuarios Euroandinos Paita S.A.	Peru	Container terminal operations
Asian Terminals Inc	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	Thailand	Container terminal operations

*Significant other non-port business*

<b>Legal name</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
P&O Maritime Services Pty Ltd	Australia	Maritime services
DP World Antwerp Terminals N.V.	Belgium	Ancillary container services
Unifeeder A/S	Denmark	Maritime transport and logistics
Unimed Feeder Services A/S	Denmark	Maritime transport and logistics
DP World Germersheim GmbH and Co. KG	Germany	Inland container terminal operations
DP World Germany B.V.	Netherlands	Inland container terminal operations
Container Rail Road Services Pvt Limited	India	Container rail freight operations
Continental Warehousing Corporation (Nhava Seva) Limited	India	Logistics, warehousing and transportation services
Nhava Sheva Business Park Private Limited	India	Free trade warehousing zone
Empresa de Dragagem do Porto de Maputo, S.A.	Mozambique	Dredging services
Maputo Intermodal Container Depot, SA	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo, S.A.	Mozambique	Port management and cargo handling
DP World Peru S.R.L.	Peru	Terminal related activities
Cosmos Agencia Marítima S.A.C.	Peru	Logistics, maritime and warehousing services
Neptunia S.A.	Peru	Logistics and warehousing services
Triton Transports S.A.	Peru	Logistics services
Port Secure FZCO <sup>(1)</sup>	Republic of Djibouti	Port security services
Remolcadores de Puerto y Altura, S.A.	Spain	Maritime services
Remolques y Servicios Marítimos, S.L.	Spain	Maritime services
Dubai International Djibouti FZE	United Arab Emirates	Port management and operation



Drydocks World LLC	United Arab Emirates	Ship building, repairs and docking services
Dubai Trade FZE	United Arab Emirates	Trade facilitation through integrated electronic services
Maritime World LLC	United Arab Emirates	Property development and leasing
P&O Maritime FZE	United Arab Emirates	Maritime services
P&O Marinas FZE	United Arab Emirates	Operating marinas and property leasing
World Security FZE	United Arab Emirates	Security services
Jebel Ali Free Zone FZE	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
P&O Maritime Yuzhny FZCO	Ukraine	Maritime services
LG Park Freehold Limited	United Kingdom	Management and operation of industrial parks

(1) This entity has been deconsolidated from the financial statements due to the dispute between the Group and the Djibouti government. For more information, see "*Description of DP World – Legal Proceedings*".

## Ports and Terminals Business

### Overview

The ports and terminals division aims to meet the needs of dynamic global supply chains, as the Group develops and operates trade-enabling, strategically located, and state of the art infrastructure and services, including marine terminals, inland terminals, and cruise terminals. The Group believes that its portfolio represents a well-diversified business in terms of geographic spread, political risk, currency fluctuation and level of economic development, with operations divided into the following three geographical segments: (i) Middle East, Europe and Africa; (ii) Asia-Pacific and Indian Subcontinent; and (iii) Australia and Americas.

### Core services

The Group's core ports services are comprised of container cargo handling, which accounts for the significant majority of the Group's revenue from operations and net profit, as well as general cargo handling and Ro-Ro services.

### Container cargo handling

The core services for containerised handling consist of lifting containers on and off of vessels, storing containers in the relevant terminal and facilitating the delivery and receipt of containers. The two main categories of throughput are O&D, which is also often referred to as import and export, and transshipment. O&D throughput differs from transshipment throughput primarily because O&D throughput has to go to, or be collected from, a particular terminal because of its proximity to the point of consumption or distribution. This makes O&D throughput more stable and the Group has more control over setting the price for O&D throughput compared with transshipment where the price is driven by the customer and global competition. O&D throughput also provides the Group with opportunities to earn additional revenue by charging for delivery or receipt of the container from the shipper or consignee, as well as by providing ancillary services, such as storage and container cleaning. For the year ended 31 December 2018, the Group estimates that approximately 70 per cent. of its gross throughput was O&D throughput.

### ***General cargo handling and Ro-Ro services***

In addition to container cargo handling services, some of the Group's ports offer general cargo handling and Ro-Ro services at some of their terminals. The Group believes that by offering superior service and handling facilities, it is able to attract general cargo vessels carrying a wide variety of non-containerised goods. The Group's Ro-Ro facilities are designed to accommodate vessels that carry wheeled cargo, such as automobiles. The defining feature of Ro-Ro vessels is a built-in ramp, which allows cargo to be efficiently "rolled on" and "rolled off" the vessel when in port.

### ***Customers***

The Group's customers comprise over 150 carriers and cargo interests, including all of the top 11 global container shipping lines (*source*: Alphaliner and internal Company data), as well as general cargo and car carriers. The Group also performs logistics activities whereby it deals directly with both transport companies and the ultimate owners of the relevant cargo, such as manufacturers, traders and importers. The Group has continued to invest in its operations to improve its service to its customers with a number of the Group's terminals benefitting from new cranes and yard equipment.

Contracts in the container terminal industry are characterised by relatively long terms, usually in the range of one to three years, and typically, although not exclusively, require cause to allow early termination. However, in certain regions, a limited number of contracts may have relatively short notice periods in respect of termination, often only of one year, and allow for termination without cause.

### ***Business development***

New opportunities are identified by multiple sources throughout the organisation and through the many different channels yielded by the Group's extensive network, including discussions with its customers and with government representatives and authorities. The Group has a clearly defined strategy for its business development activity that allows it to efficiently short-list and pursue opportunities that will likely add the greatest potential value to its business. The Group evaluates new business opportunities based both on the initial investment it will be required to make and the potential future expected growth opportunity associated with the asset. The Group's preference when looking at new opportunities is to achieve an appropriate balance between established and developing sites, a predominance of O&D cargo and locations in the faster growing emerging markets.

### ***Concessions***

The Group's terminal operations are substantially conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 20 and 50 years. Based on the Group's experience, incumbent operators are typically granted renewal of operating concessions leases, often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transitions. The Group commonly starts negotiations regarding the renewal of concession agreements with approximately five to ten years remaining on the term and often obtains renewals of or extensions on concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. The Group's portfolio at 30 June 2019 had an average concession life of approximately 37 years.

The Group generally seeks to structure its concession agreements to have payment terms with a fixed and a variable element. The Group believes that these payment terms help align the concessionaire's and the Group's interests to maximise throughput since the variable element of the fee payable to the concessionaire is calculated on throughput through the relevant port. The concessionaire is therefore incentivised to provide a good land side service so that the level of throughput, and their corresponding fee, is increased.

### ***Portfolio***

#### ***Middle East, Europe and Africa Region***

#### ***UAE***

- ***Overview:*** the UAE is an important trading hub for the Middle East, African and Indian Ocean rim countries. The Group has been operating in the UAE since 1972, initially at Port Rashid (Dubai)

and subsequently at DP World Jebel Ali (Dubai) and Hamriya Port (Dubai). DP World Jebel Ali is the Group's flagship facility and is currently undergoing a major expansion. DP World Jebel Ali can accommodate the required draft of any container vessel in existence or on order and deploys the largest quayside cranes currently in operation in the world, capable of lifting two forty-foot containers or four twenty-foot containers at a time.

- Competitive position: the Group believes that it holds the strongest market position as a terminal operator compared with any other operator in the UAE and Middle East due to the high volumes of O&D cargo having to use DP World Jebel Ali (*source:* Drewry's Global Container Terminal Operators Annual Review and Forecast 2019). The EZW Acquisition allowed the Group to enhance its port and logistics offering to its customers in Dubai by combining container handling facilities with economic free zones and infrastructure developments. The Group's container operations at DP World Jebel Ali are strengthened by being adjacent to the Free Zone, which is home to over 7,500 companies from over 130 countries and generates significant volumes of captive container traffic for the Group. The efficiencies promoted by Jebel Ali port's integrated logistics offering include two to three days road transit to anywhere in the GCC, which is considered a short transit time in the air cargo industry, and the ability to transport cargo to airport within 45 minutes of discharge from the Jebel Ali port.
- Other activities: in addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, Ro-Ro, reefers (being refrigerated shipping containers for transporting perishables), tanker facilities and container repair, commercial trucking, sea-air cargo, logistics and/or other terminal services.

#### Middle East (excluding UAE) and Africa

- Overview: the Group has been present in Jeddah (Kingdom of Saudi Arabia) since it won the contract to manage the Jeddah Islamic port in 1999. In the third quarter of 2007, through its acquisition of Siyanco DPA, the Group acquired a 100 per cent. ownership interest in Jeddah South Container Terminal (Kingdom of Saudi Arabia), which the Group had previously operated pursuant to a management contract and is focused on attracting long-term O&D customers not only for the local Jeddah market, but also for the Riyadh market once the Saudi Arabian government completes the proposed rail-land bridge.

In 2008, through the acquisition of the Sokhna Port Development Company, the Group acquired a 90 per cent. ownership interest in DP World Sokhna (formerly Sokhna Port) and subsequently increased its ownership interest to 100 per cent. in 2013. DP World Sokhna is the closest container port to Cairo and is located within the 90 square kilometre North West Suez Economic Zone, the first of its kind in Egypt. In October 2010, an agreement was signed between DP World Sokhna and the Red Sea Ports Authority which allowed for an additional terminal to be constructed at the Sokhna port and extended the concession to 35 years after completion of the construction of a new terminal.

The Group's presence in Africa began in 1995 when P&O obtained the concession to operate the container terminal in Maputo port in Mozambique, now rebranded DP World Maputo. In 2007, the Group was awarded the concession to operate the existing container terminal in the Port of Dakar (Senegal) and the development of the new terminal at Port du Futur (Senegal). In January 2016, the Group was granted a 25-year concession to develop and operate an inland container depot in Kigali (Rwanda). In September 2016, the Group won a 30-year concession with an automatic 10-year extension for the management and development of a multi-purpose port project at Berbera, Republic of Somaliland which will open a new point of access to the Red Sea. In March 2018, the Group won a 30-year concession with an option of a further 20-year extension for the management and development of a greenfield multi-purpose port project at Banana (Democratic Republic of Congo) which will be the first deep-sea port in the country.

The Group is also present in Djibouti through operations at DP World Doraleh and Djibouti Dry Port and has been engaged in a multi-year dispute with the Djibouti government regarding its operations in the country (see further "*Description of DP World – Legal Proceedings*").

- Competitive position: the Group currently faces intra-port competition at Jeddah Islamic port (Kingdom of Saudi Arabia) from the North Terminal in Jeddah and from the Red Sea Gateway

Terminal, which was developed on existing land within the port adjoining the North Terminal. This leads to competition and imbalances in supply and demand. King Abdullah port, 135 kilometres north of Jeddah, also competes for Saudi Arabia-bound cargo as well as regional transshipment. The Group faces inter-port competition for regional transshipment throughput from Salalah and the Mediterranean hub ports for mainline relay business.

Since Africa is an emerging region, competitor presence is limited relative to other regions globally. The Group holds strong positions in its operating locations in Africa. Dakar, Djibouti, Maputo and Sokhna have no intra-port competition and limited regional competition. The Group's key regional competitors in Africa are APM Terminals and Bollere Africa Logistics.

- *Other activities:* in addition to the Group's container terminal business, its terminal at Jeddah offers reefer facilities. Sokhna offers container business, break bulk and general cargo, passenger vessels and liquid terminal facilities.

### Europe

- *Overview:* the Group's operations in Europe are well established, with facilities in Western and Eastern Europe. Most of the terminals offer deep water access and are strategically located to reach the major markets of the U.K. and Continental Europe.

The Group's operations in Europe include terminals covering markets from North Europe to the Mediterranean and the Black Sea. As well as investing in its existing facilities to improve service and increase capacity, the Group also continues to explore new opportunities in this region and commenced operations at DP World London Gateway on the River Thames in the U.K. in November 2015. The Group is also present at Rotterdam World Gateway (The Netherlands), which is the first container terminal on the new Maasvlakte 2 reclamation development in Rotterdam, which commenced operations in 2015, and DP World Yarimca (Turkey).

In November 2015, the Southampton concession agreement was extended until 2047. The Group also acquired the remaining stake in DP World Southampton, making the Group the sole owner of this business. In 2018, the Group acquired Unifeeder (Denmark), the largest container feeder and growing shortsea network operator in Europe. Further, in February 2019, the Group announced the acquisition of 100 per cent. ownership in the holding company of P&O Ferries and P&O Ferrymasters, which are a pan-European integrated logistics business consisting of: (i) a market leading roll-on roll-off ferries operation; and (ii) a European transportation and logistics solutions provider.

- *Competitive position:* Western Europe is a well-established market characterised by high stability of throughput with moderate growth. Competition between ports across Western Europe is well developed, and the Group's key global competitors Hutchison Port Holdings, APM Terminals and PSA International are well established there. Hamburger Hafen und Logistik AG is one of the significant local operators there. While Brexit may occur in 2019, most of London Gateway's throughput is from countries outside of Europe.

The Eastern European market is less developed but has potential for growth given its strategic location. DP World Constanta is a large and modern facility on the Black Sea and acts as a hub for other Black Sea ports in Ukraine, Bulgaria and Turkey. While Constanta port is currently the only deep-sea port with direct access to the Danube inland waterway (which handles container barge traffic to the former Yugoslavia), surrounding countries are developing modern, deep-water container terminals, which may compete with DP World Constanta for transshipment traffic or reduce the need for transshipment at Constanta port.

- *Other activities:* in addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, Ro-Ro services, container freight station, stuffing and unstuffing warehousing and reefer facilities and logistics, empty depot, custom documentation and/or other terminal services. The Group also operates a fleet of Rhine River barges that connect DP World Germersheim with the deep-water ports of Rotterdam and Antwerp and receives daily shuttle trains at the terminal with containers from Rotterdam.

## *Australia and Americas Region*

### Australia

- Overview: the Group operates container terminals in four state capital cities of Australia (Brisbane, Sydney, Melbourne and Fremantle (serving Perth)) and can trace the origins of its operations in Australia to the formation of P&O in the 19th century. In addition, all of the Group's terminal operations in Australia benefit from excellent rail links between the terminals and the relevant surrounding hinterland.
- Competitive position: historically, the major Australian ports of Sydney, Melbourne, Brisbane and Fremantle have each developed dual container terminal operator structures to ensure that competition exists within each port, and the Group is one of only two companies that currently operate container terminals in Australia. The Group's main competitor is the Asciano Group's Patrick Stevedores division, which is present in every Australian port in which the Group operates. However, in April 2007, the Port of Brisbane Corporate announced the introduction of the third operator with Hutchison Port Holdings being awarded the lease for Berths 11 and 12, which became operational in 2012 and 2014, respectively. In addition, Hutchison Port Holdings has opened a terminal in Sydney while International Container Terminal Services Inc. has opened a terminal in Melbourne.
- Other activities: as part of the P&O Acquisition, the Group acquired P&O Maritime Services based in Melbourne (Australia). Through its ownership, operation and management of a fleet of specialised vessels, P&O Maritime Services provides shipping, cargo, port, charter and agency services to a diverse range of government and industrial customers in Australia, as well as Argentina, Equatorial Guinea, Ireland, Mozambique, Paraguay, Spain, the UAE and the U.K.

A significant majority of the revenue of P&O Maritime Services is derived from its major clients, including the Australian Government Antarctic Division, Glencore plc and Siderar.

### Americas

- Overview: P&O entered the South American market in 1994 when it was awarded the concession to operate Terminals Rio de la Plata (Argentina). In addition, CSX WT had developed operations at Caucedo (Dominican Republic) in 2004 and P&O acquired operations in Vancouver (Canada) in 2003. The Group's operations in the Americas were further strengthened by the commencement of operations in DP World Callao (Peru) in 2010, Embraport (Brazil) in 2013 and Saint John (Canada) in 2017. The Group also has a majority stake in the largest terminal operator in the Suriname port (which is the most modern facility in the Guyana-French Guiana range) and operates a terminal in Nanaimo on Vancouver Island (Canada). In 2015, the Group also acquired DP World Prince Rupert (Canada). DP World Prince Rupert has the capacity to handle 1,350,000 TEU annually. The next phase of the terminal expansion will make Prince Rupert the second largest port in Canada, with a capacity of 1,800,000 TEU upon completion in 2022. DP World Prince Rupert's concession currently runs to 2034 but is expected to be extended to 2056 upon completion of its expansion. In June 2016, the Group won a 50-year concession for the development of a greenfield multi-purpose port project at Posorja (Ecuador), 65 kilometres from the country's main business city of Guayaquil. In November 2017, the Group acquired the remaining 66.67 per cent. ownership stake in Embraport which increased DP World's shareholding to 100 per cent. and the terminal was rebranded to DP World Santos. DP World Santos is the largest Brazilian private multi-modal port terminal and operates in the Port of Santos. In 2018, the Group's acquisition of Cosmos resulted in the Group's acquisition of a 50 per cent. stake in Terminales Portuarios Euroandinos Paita S.A. in the Port of Paita (Peru), which is one of the largest container terminals in Peru. In 2019, the Group acquired Pulogsa which operates a long term concession for Puerto Central in San Antonio in Chile's Central Region V as well as owning and operating Puerto Linquen in Chile's Southern Region VIII.
- Competitive position: the Americas geographical area remains highly fragmented, with many independent companies operating single terminals in key markets and government owned entities maintaining a significant presence. Given the strategic position of the Group's facilities as regional gateway ports, the Group is able to serve cargo owners and shipping lines at five key gateways on the West Coast in Latin America and is the third largest operator in South America (*source*:

Drewry's Global Container Terminal Operators Annual Review and Forecast 2019). DP World Prince Rupert (Canada) offers the shortest sailing distance for the key Shanghai to West Coast route with at least 459 fewer nautical miles compared to its closest U.S. competitor, which equates to a saving of approximately six days. DP World Prince Rupert is also able to evacuate the containers onto rail within two days on average, which is at least twice as fast as its U.S. competitors. The port has a close relationship with the Canadian National Railways, which is well-connected to major cities and is able to reach Chicago within five days, providing a saving of at least nine days, which is a compelling proposition for cargo owners.

- *Other activities:* in addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, reefer, on-dock rail and cruise and ferry passenger facilities and/or other terminal services. In Vancouver (Canada), the Group's general stevedoring operation principally encompasses Ro-Ro automobiles and bulk grain. Terminales Rio de la Plata is the exclusive cruise terminal operator in Buenos Aires, which is a major seasonal cruise destination.

#### *Asia-Pacific and Indian Subcontinent Region*

##### Asia-Pacific

- *Overview:* the Group's origins in the Asia-Pacific date back to 1973, when Sea-Land Service, Inc. ("**Sea-Land**"), which was acquired by CSX Corporation in 1986, developed CT3 (Hong Kong). It subsequently developed additional significant operations in China (including Hong Kong), as well as a greenfield project in Pusan (South Korea), which commenced operations in 2006. Since the early 1990s, P&O gradually acquired or built facilities in China (including Hong Kong), Indonesia, the Philippines, Thailand and Vietnam. The Group currently has a strong presence in key manufacturing heartlands of China. For instance, the Group operates the Qingdao Qianwan Container Terminal (China), which serves the hinterland of the Shandong province in China and offers convenient and economical access for the Huangdao district in the Shandong province as well as the western hinterland. The Group also has interests in the fast-growing economies of South-East Asia. The Group's Asia-Pacific operations are managed from Hong Kong, with sub-regional offices in Shanghai, which focuses on north and central China, and Manila, which focuses on South-East Asia. In April 2019, the Group's concession in Indonesia ended. The Group operated this concession through its joint venture, PT Terminal Petikemas Surabaya (in which the Group held a 49 per cent. stake).
- *Competitive position:* the Group has a significant presence in the Asia-Pacific market, with a strong presence in the key gateway ports in China (namely Qingdao Qianwan Container Terminal (China), Tianjin Orient Container Terminal (China), CT3 (Hong Kong) and Yantai International Container Terminals (China)) and in many strategic locations across the region (including Thailand, the Philippines, Vietnam and South Korea). The Group also owns a logistics facility in Yantian and Hong Kong. The Group opened the Saigon Premier Container Terminal (now DP World Saigon) in Vietnam in October 2009. The Group's key global competitors in the region include Hutchison Port Holdings, PSA International and Cosco Group.
- *Other activities:* in addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, ferry, Ro-Ro, reefer and container freight station facilities and container repair and/or other terminal services. The Group also operates a break bulk cargo terminal in the Philippines.

##### Indian Subcontinent

- *Overview:* the Group has been present in the Indian Subcontinent since 1997 when P&O obtained the concession to operate Qasim International Container Terminal (now DP World Karachi) in Bin Qasim (Pakistan) and participated in the first Indian port privatisation at Nhava Sheva International Container Terminal (now DP World Nhava Sheva) in the Jawaharlal Nehru Port Trust (Navi Mumbai). Since then, the Group has expanded its presence in the region significantly. The Group's terminals are well-positioned to service customers in the hinterlands of India and Pakistan.
- *Competitive position:* the Group is a market leader in India (*source:* Drewry's Global Container Terminal Operators Annual Review and Forecast 2019). It faces intra-port and regional

competition from other global operators. The Group's strong position, combined with a high proportion of O&D traffic and market growth potential, makes the Indian Subcontinent an extremely important part of the Group's global portfolio.

- *Other activities:* in addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, container storage, internal terminal transport, reefer and container freight station facilities, lashing, stuffing and de-stuffing and/or other terminal services and container rail road logistics.

## **Parks, Logistics and Economic Zones Business**

### **Overview**

On 16 March 2015, the Company acquired the EZW Group from PFZW which resulted in the formation of the leading integrated port and free zone in the Middle East region. The EZW Acquisition allowed the Group to enhance its port and logistics offering to its customers in Dubai by strengthening the integration between the Company's flagship Jebel Ali port in Dubai and EZW's primary business unit, JAFZ, and optimising investment levels in both locations. The EZW Acquisition also protected the Jebel Ali port against the risk of potential third-party ownership of JAFZ, as well as continued the Group's track record of investment in Dubai, as a regional hub, to strengthen its leadership in the high-growth Middle East region.

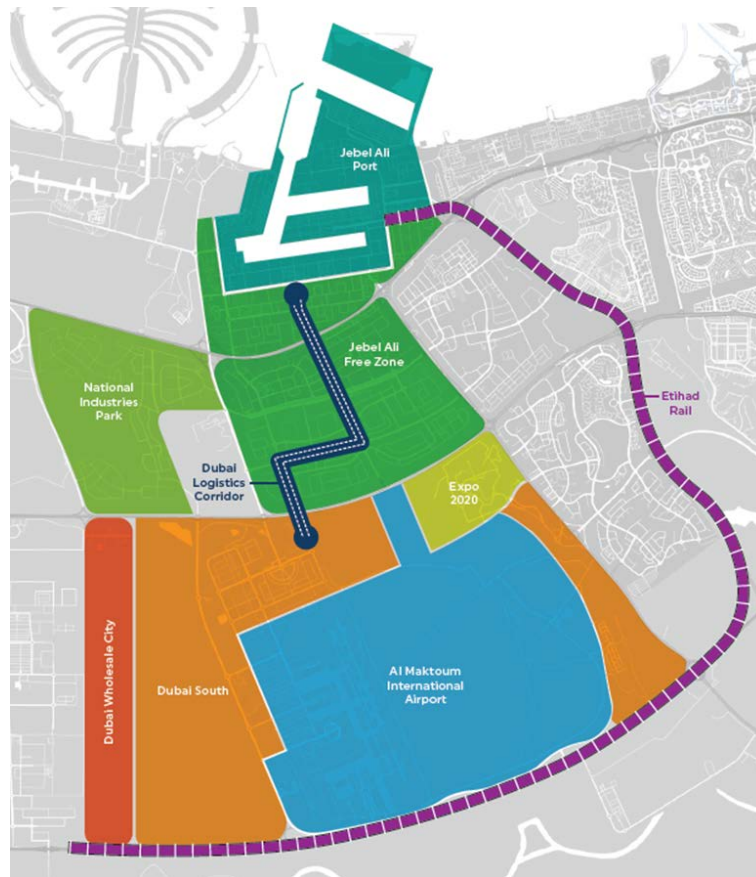
Through the EZW Acquisition in 2015 the Group became a provider of industrial and logistics infrastructure. Over the years this has evolved into the Group's PLEZ business. PLEZ aims to own, develop and operate a network of industrial, logistics parks & special economic zones in strategic locations globally. This provides the Group with a differentiated port/PLEZ development capability in its bid to expand its network. This also allows the Group to aim to deliver an integrated logistics solution to its customers, bringing it closer to major stakeholders and end users. Further, it creates production and distribution platforms which can contribute in generating additional volume via the Group's terminals.

### **JAFZ**

#### *Overview*

JAFZ was established as a free zone on 5 March 2006 pursuant to Law No. 9 of 1992 of the Emirate of Dubai, with a mandate to realise the maximum commercial value from operational and commercial activities within the Free Zone (with JAFZA retaining the regulatory function in relation to the Free Zone).

The Free Zone is one of the largest operating free zones in the GCC and offers a number of incentives to foreign companies to establish operations in the Free Zone including, *inter alia*, 100 per cent. foreign ownership of establishments organised in the Free Zone and zero corporate and income tax rates for a minimum period of fifty years from the date of commencement of business by a company in the Free Zone. The Free Zone consists of an area adjoining the main road running through the Emirate of Dubai (Sheikh Zayed Road). The Free Zone is connected to a dedicated logistics corridor (the Dubai (Sea-Air) Logistics Corridor) connecting the Jebel Ali port, the Free Zone and the Al Maktoum International Airport for streamlined and efficient movement of cargo. The image below illustrates the area comprising JAFZ and its juxtaposition to the Jebel Ali port, Sheikh Zayed Road and the Al Maktoum International Airport (see also "*Description of DP World – Ports and Terminals Business – Portfolio – Middle East, Europe and Africa Region – UAE*").



### *Business activities*

Since its establishment, JAFZ, as the legal entity that can grant leases to customers in the Free Zone under Dubai law, has focused on realising the maximum commercial value from operational and commercial activities in the Free Zone. As at and for the six months ended 30 June 2019:

- the Free Zone comprised approximately 57 square kilometres and hosted over 7,500 companies and over 100 "Fortune 500" companies;
- 88 per cent. of JAFZ's total revenue in the Free Zone was derived from leasing activities, 6 per cent. from commercial services and 6 per cent. from administration services; and
- approximately 89 per cent. of land, 75 per cent. of warehouses, 91 per cent. of low and mid rise offices (LOBs), 80 per cent. of high rise offices (JAFZA1) and 92 per cent. of onsite residential accommodation were occupied.

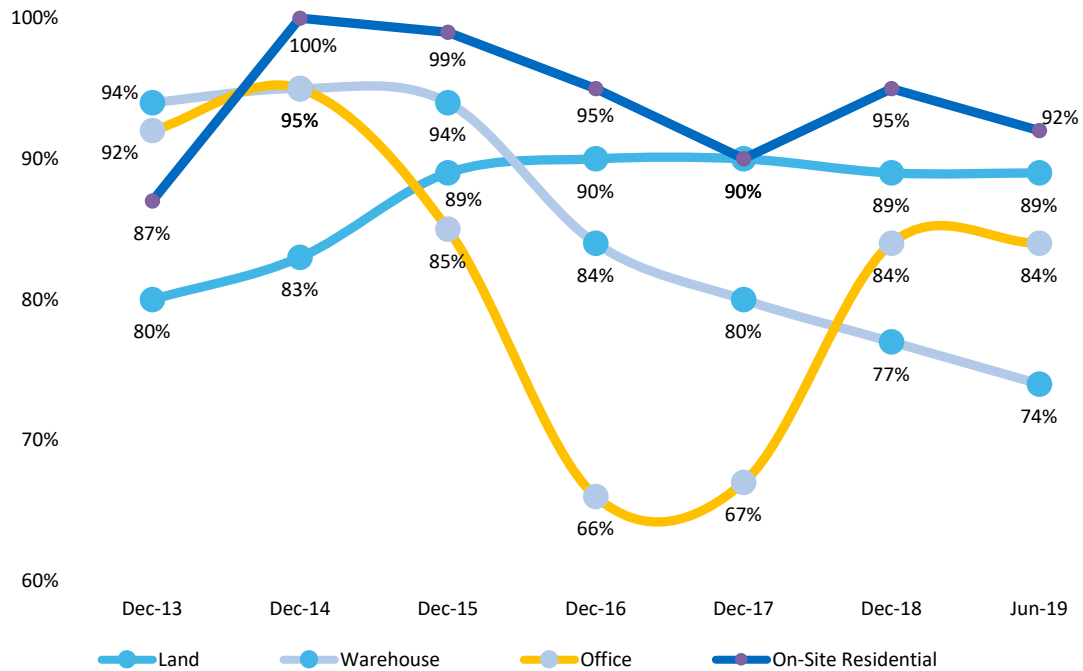
JAFZ's business activities in the Free Zone comprise leasing activities, commercial services and administration services (each as described further below).

### Leasing activities

Companies operating within the Free Zone are able to lease undeveloped parcels of land and develop such sites for their own use. In addition, JAFZ has developed its own warehouses, offices and onsite residential accommodation which are leased to third parties. JAFZ's leasing activities therefore include the provision and renewal of leases in relation to the land, warehouses, offices and onsite residential accommodation.

The following table provides occupancy rates for JAFZ's land, warehouses, offices and onsite residential accommodation.





### Commercial services

In order to operate in the Free Zone, a prospective tenant requires a license issued by JAFZ on behalf of JAFZA. Commercial services provided by JAFZ include the registration of companies and granting trading licenses (both general and specific), industrial licenses, logistics licenses, service licenses and national industrial licenses, as appropriate.

### Administration services

Administration services provided by JAFZ to companies operating in the Free Zone include assisting tenants in the Free Zone in interfacing with various government authorities, ministries and departments of the UAE government including, *inter alia*, immigration and other visa services (such as assisting tenants with regularisation of work visas or work permits), assistance in obtaining health cards and driving licenses.

### Other PLEZ business operations

The Group also has free zone next to its London Gateway port. The free zone began operation in 2013 and comprises approximately 859,000 square metres. In addition, the Group has entered into a number of other agreements and concessions to expand its PLEZ operations. For instance, the Group acquired Cosmos (a fully-integrated logistics provider operating in Peru) in 2018 and the first phase of the Group's operations in Berbera (Somaliland) includes the development of a greenfield free zone to complement the growth of the Port of Berbera and create a regional trading hub. The Group has several other projections planned in the near to medium term which may require significant capital expenditure outlays, although none of these are planned to be comparable in size to JAFZ. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Capital expenditures*".

### **Maritime Services Business**

The maritime services division aims to complement the Group's global trade services, by providing maritime solutions through a wide portfolio of specialist vessels, river barging, chartering and port services. To leverage its experience, the Group is also developing world-class marinas to create a lifestyle destination for yachting enthusiasts.

As part of the P&O Acquisition, the Group acquired P&O Maritime Services Pty Ltd ("**P&O Maritime Services**"), which is based in Melbourne (Australia). Through its ownership, operation and management of a fleet of specialised vessels, P&O Maritime Services provides offshore oil and gas support, Antarctic logistics, bulk commodity river barging, harbour marine services and chartering to a diverse range of

government and industrial customers in Australia, Argentina, Equatorial Guinea, Ireland, Mozambique, Paraguay, Spain, the UAE and the U.K.

A significant majority of the revenue of P&O Maritime Services is derived from contracts with its major clients, including Australian Antarctic Division, Glencore, the Group's UAE region operations, EGLNG, Centre for Environment, Fisheries and Aquaculture Science United Kingdom, Marine Institute Ireland, Siderar and Noble.

The Group's maritime services division was further complemented by the acquisition of Reyser, a Spanish maritime services operator, in 2017 and the acquisition of Drydocks and DMC in 2018. Further, in 2019 acquired Topaz Energy and Marine Limited, a marine logistics and solution provider.

### **Security and Business Resilience**

The Group is committed to improving the safety and security of its people along with its other assets and cargo, and the Group's security strategy is based on investing in security management systems that comply with global standards. The Company's board of directors (the "**Board**") and the management of the Group are committed to creating a safe culture throughout the Group and regularly monitor the implementation of its safety and security strategy which includes employee training, regular audits and management objectives in relation to the safety of employees. The Group has implemented specific review processes, policies, guidance documents and operational procedures in this regard. The Group has also established a security auditing program which is conducted across its entire portfolio of terminals.

Further, the Group regularly undertakes benchmarking exercises to test its security preparedness against global standards and industry best practice. The Group underpins its strategic security objectives by embracing and investing in the independently audited supply chain security management ISO 28000:2007 standard across its portfolio. As at 30 June 2019, 40 of the Group's terminals were ISO 28000:2007 certified and the Group aims to have all its terminals certified in a phased manner. The Group is a member of the EU Customs Security Program-Authorised Economic Operator initiative (AEO) and the U.S. government Customs-Trade Partnership Against Terrorism (C-TPAT). The Group also collaborates with the U.S. Department of Energy in respect of the Megaports initiative by assisting with the development of technical tool packs. In addition, the Group was the first international port operator to be invited as a member of, and is an active participant in, the U.S. Container Security Initiative (CSI), which places U.S. Customs officers at sensitive terminals around the world.

### **Safety and Environment**

The Group considers health, safety and environment ("**HSE**") to be of fundamental importance in every aspect of its global operations. The Group understands and takes very seriously the HSE responsibilities that it has to employees, customers, contractors, visitors, government agencies and communities.

The Group has dedicated HSE resources throughout the world that provide advice to management in exercising the Group's corporate obligations in this critical area. Management and workers are guided by the Group's corporate HSE policy, which has been authorised by the Chief Executive Officer. The Group requires each business unit to comply with all relevant HSE laws and regulations of the local, federal and international jurisdictions in which it operates. Where there are differences in requirements between local legislation and Group standards, operating entities comply with the more stringent requirement to ensure the highest HSE standards are maintained.

The Group is fully committed to robust environmental management in its terminals and development projects while playing a proactive role in tackling the challenges of climate change through initiatives such as reduction in resource consumption and continual improvement in energy efficiency. The Group has invested heavily in lower-carbon plant and equipment and is embracing renewable energy technologies in its terminals. In 2010, the Group was the first international marine and inland trade services provider to disclose its carbon emissions as part of the Carbon Disclosure Project ("**CDP**") and since then has made significant progress in its CDP climate reporting score, from 70C in 2013 to "leadership" score of A- in 2016 and 2017 and a score of A in 2018, placing the Group above average for the transportation industry and in the 127 global leaders in the A list. The Group also signed up to the Copenhagen Communiqué on climate change and was a contributing stakeholder in the World Economic Forum's Decarbonisation of the Supply Chain project.

The Group aims high in its target-setting and in 2018 achieved a 6 per cent. reduction in its carbon dioxide emissions intensity per modified TEU and a 13 per cent. reduction in its energy consumption, in each case, between 2014 and 2018. In 2018, the Group was able to offset more than 55,738 tonnes of carbon dioxide equivalent emissions through its promotion of renewable energy sources and investment in low-carbon fuels such as liquefied natural gas and compressed natural gas.

The Board receives a safety and environment report at each Board meeting to monitor the Group's performance against key performance metrics. The Company's management also plays a role in leading by example by actively promoting safety onsite to create a safer working environment.

### ***Sustainable Development Financing Framework***

From time to time and pursuant to the Programme, the Company may issue Certificates ("**ESG Certificates**") whose net proceeds may be used to fund or refinance, in whole or in part, a portfolio of eligible projects ("**Eligible Projects**") within eligible categories ("**Eligible Categories**"), as set out in the Company's Sustainable Development Financing Framework (the "**Sustainable Development Financing Framework**"). Where applicable, on an annual basis, the Company expects to publish an allocation report and an impact report in respect of its Eligible Projects portfolio in line with prevailing environmental, social and corporate governance ("**ESG**") bond standards. The Company has broadly defined the Eligible Categories in accordance with the "Green/Social/Sustainability Bond Principles" promulgated by the International Capital Market Association.

Up to 100 per cent. of the proceeds of any ESG Certificates may be applied towards existing Eligible Projects within the Eligible Categories. For the avoidance of doubt, finance provided to any business or project that is not eligible under the criteria set out in the Sustainable Development Financing Framework will not be considered as the use of proceeds of a ESG Certificate issued under this framework.

The Company intends to publish the Sustainable Development Financing Framework on its website. Further, the Company will appoint an independent opinion provider to provide an external review of the Company's Sustainable Development Financing Framework, which will also be published on the Company's website at the following address: <https://www.dpworld.com/investors>.

### **Information Technology and Operating Systems**

The Group's information technology ("**IT**") strategy is designed in such a way that empowers terminal IT teams to meet their requirements. The Group's IT provides centralised IT services (such as hosting e-mail, security and SharePoint services) to varying degrees at a regional level as well as central solutions like finance at the corporate level. The Group's central IT department plays a vital role in strategic planning, governance and standardisation of IT across the Group's portfolio and in the case of new terminal operations, provides guidance, consultations and reviews. The Group's IT is not involved in the day-to-day IT operations of the business units. The Group's IT believes that this strategy reduces the risk of central failure as any failure within one of the Group's business units affects only that business unit rather than the entire Group. The Group also believes that this strategy provides its local IT teams with the flexibility to design IT solutions that best fit the needs of a particular terminal. When designing such solutions, the Group encourages its local IT teams to use a central solution or a solution within the Group that matches its unique business processes or to purchase readily available off-the-shelf software wherever possible.

Each of the Group's terminals, based on the nature of that terminal's business, is configured to keep its systems operational, including with respect to business processes and procedures, under abnormal conditions. Although IT systems are essential to the functioning of the Group's terminals, proper backup procedures have been devised to support their operations in case of a rare, unexpected system downtime. The Group has defined IT component topologies and recovery time objectives/recovery point objectives for each business process, which prescribe the appropriate level of IT infrastructure, depending on the importance of the relevant business process. For instance, a business process such as container movement operations at a large terminal categorised as "mission critical" would be allocated an IT infrastructure consisting of a clustered server environment with significant resilience, extensive focus on backup and IT disaster recovery plans. This IT infrastructure design would aim to provide 99.99 per cent. availability.

## Insurance

The Group's operations are subject to normal hazards of operational and geographic risks, including accidents, fire and weather-related perils. Globally, the Group maintains various types of insurance policies to protect against the financial impact arising from unexpected events when the amount of the potential loss would be significant enough to prevent normal business operations. The Group may also, on occasion, purchase specific insurance for individual terminals on an "as needs" basis (for instance, the Group reviews the need for political and environmental risk insurance on a terminal by terminal basis). The purchase of these policies is coordinated by an internal insurance department, with applicable limits, coverage, scope and deductibles that the Group, with the advice of its insurance advisers, believes are reasonable and prudent after all means of controlling or preventing the risk have been considered. The Group does not fully insure against certain risks to the extent that such risks may not be fully insurable or related coverage is unavailable at what the Group considers to be appropriate price levels. See *"Risk Factors – Risks Related to the Group – The Group may not maintain sufficient insurance coverage for the risks associated with the operation of its business"*.

## Legal Proceedings

Apart from the legal proceedings highlighted below, there are, and have been, no other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee or the Company is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus a significant effect on the Trustee's or the Group's financial position or profitability.

- The Group's wholly-owned subsidiary Chennai Container Terminal Ltd ("**CCTL**") and the Chennai Port Trust ("**CPT**") entered into an arbitration in respect of a dispute over lease charges for the land leased out by CPT to CCTL. CPT lost the arbitration and commenced legal proceedings before courts in India. CPT's claim was dismissed by the Court of First Instance and, on appeal, was also dismissed by the Division Bench of Madras High Court on 12 August 2016. CPT subsequently filed a special leave petition in the Supreme Court of India against the order passed by the Division Bench of Madras High Court. As a result, the Group determined that its potential exposure in respect of extra lease charges claimed by CPT amounted to U.S.\$11.8 million and the Group commenced adjustment of dues towards royalty and lease rentals against amounts that were recoverable pursuant to the order of the arbitral tribunal in respect of the disputed lease rentals. On 13 February 2018, the Supreme Court of India upheld the arbitration award in favour of CCTL. Consequently, the provisions carried in the books of CCTL amounting to U.S.\$27.1 million (net of tax) were reversed as at 31 December 2018.
- On 8 July 2014, the Group was notified that the Government of Djibouti had initiated arbitration proceedings before the London Court of International Arbitration ("**LCIA**") against the Group, alleging fraud and illegal payments and seeking rescission of all contracts between the Group and Djibouti. On 20 February 2017, the LCIA dismissed all such claims in their entirety and ordered that Djibouti pay all of the Group's legal costs. Subsequently, on 8 November 2017, Djibouti adopted a new, retrospective law stating that Djibouti may renegotiate all agreements in the infrastructure sector which are contrary to the highest interests of the nation and, should any such renegotiations fail, that Djibouti may unilaterally terminate such agreements. On 22 February 2018, pursuant to a presidential decree, Djibouti seized physical control of Doraleh Container Terminal S.A. ("**DCT**") from the Group (although the Group only had a 33.34 per cent. effective ownership interest in DCT, it was treated as a subsidiary of the Group until 22 February 2018, since the Group was able to govern the financial and operating policies of DCT by virtue of an agreement with the other investor). As a result, the Group commenced arbitration proceedings before the LCIA to protect its rights or to secure damages and compensation for breach or expropriation. On 20 July 2018, a hearing took place before the LCIA at which the Group requested that the LCIA declare the actions of Djibouti unlawful and confirm the validity of the concession agreement. On 31 July 2018, the LCIA confirmed in an arbitral award that the 2006 concession agreement remained valid and binding notwithstanding the laws and decrees Djibouti had adopted. In a further arbitral award on 29 March 2019, the LCIA confirmed that Djibouti must pay to DCT an amount of: (a) U.S.\$88.0 million (plus compound interest at 3 per cent. per annum) for non-payment of royalties for traffic not transferred to DCT once it became operational; and (b) U.S.\$385.7 million (plus simple interest at 3 per cent. per annum) for breach of exclusivity by developing a contained facilities at Doraleh Multipurpose Terminal, with further damages possible if Doraleh International Container Terminals is built by Djibouti.

## MANAGEMENT

### Board of Directors

As at the date of this Base Prospectus, the Board is comprised of the eight members (each, a "Director") listed below.

Name	Position(s)	Date of appointment to the Board <sup>(1)</sup>
H.E. Sultan Ahmed Bin Sulayem .....	Director, Group Chairman and Chief Executive Officer	30 May 2007
Deepak Parekh <sup>(2)</sup> .....	Senior Independent Non-Executive Director	22 March 2011
Robert Woods <sup>(2)</sup> .....	Director	1 January 2014
Mark Russell <sup>(2)</sup> .....	Director	11 August 2014
Abdulla Mohamed Saeed Alghobash <sup>(2)</sup> ..	Director	28 April 2016
Nadya Abdulla Mohamed Kamali Almarzooqi <sup>(2)</sup> .....	Director	28 April 2016
Mohamed Saif Ghanem Saif Alsuwaidi <sup>(2)</sup> .....	Director	28 April 2016
Yuvraj Narayan .....	Director and Group Chief Financial Officer	9 August 2006

<sup>(1)</sup> In accordance with the Company's articles of association, all Directors offer themselves annually for re-appointment at the Company's annual general meeting.

<sup>(2)</sup> Denotes an Independent Non-Executive Director.

Brief biographies of each of the Directors are set out below.

**H.E. Sultan Ahmed Bin Sulayem** became Chairman of the Company on 30 May 2007 and was appointed as the Group Chairman and Chief Executive Officer on 8 February 2016. He is a leading UAE and international businessman who spearheaded the rapid expansion of Dubai's infrastructure, including ports and free zones, contributing significantly to the growth trajectory of the UAE. H.E. Bin Sulayem was previously Chairman of Dubai World and in this role oversaw businesses in industries as diverse as real estate development, hospitality, tourism, retail, e-commerce, commodities, transportation and logistics. He previously served as Chairman of PFZW and remains as the representative of the Company's majority shareholder on the Board. Highlights of his career, spanning three decades, comprise the Company's international expansion, including the U.S.\$6.85 billion acquisition of P&O, establishing and leading Nakheel P.J.S.C. (a real estate and tourism property development firm that created many iconic Dubai projects including The Palm, the world's largest man-made islands), establishing and leading Istithmar World P.J.S.C. (a major global private equity investment house) and pioneering the Dubai Multi Commodities Centre. As at the date of this Base Prospectus, H.E. Bin Sulayem is a member of the Dubai Executive Council, a member of the UAE Federal Tax Authority Board, a member of the Dubai Free Zones Council, the chairman of Ports, Customs and Free Zone Corporation (PCFC) and the non-executive chairman of Virgin Hyperloop One. He holds a Bachelor of Science in Economics from Temple University, United States of America. A citizen of the UAE, he is 62 years old.

**Deepak Parekh** was appointed as an Independent Non-Executive Director of the Company on 22 March 2011 and was appointed as Senior Independent Non-Executive Director on 1 July 2015. He has been a member of numerous Indian government appointed advisory committees and task forces on matters ranging from infrastructure reform to capital markets and financial services. In 2006, he was awarded the Padma Bhushan. His other awards include 'Bundesverdienstkreuz' (Germany's Cross of the Order of Merit, one of the highest distinctions of the Federal Republic of Germany) in 2014 and "Knight in the Order of the Legion of Honour" (one of the highest distinctions of the French Republic) in 2010. He was the first international recipient of the Outstanding Achievement Award from the Institute of Chartered Accountants in England and Wales in 2010. As at the date of this Base Prospectus, Mr. Parekh is the non-executive chairman of each of HDFC Ltd, GlaxoSmithkline Pharmaceuticals Ltd, Siemens India and BAE Systems India (Services) Private Limited. He is also a director of The Indian Hotels Co Ltd and Vedanta Resources PLC. A citizen of the Republic of India, he is 73 years old.

**Robert Woods** was appointed as an Independent Non-Executive Director of the Company on 1 January 2014. He was formerly the chief executive of P&O and a non-executive director of Cathay Pacific, Tilbury Container Services Limited and John Swire & Sons. In 2012, he was appointed President of the Chartered Institute of Shipbrokers. He is an Honorary Captain of the Royal Naval Reserve. As at the date of this Base Prospectus, Mr. Woods is a director at the Chamber of Shipping of the U.K., the Greenham Common Trust

and St. George's House Trust (Windsor Castle) and the chairman of the Navy League and the Sea Cadet Association. A British citizen, he is 71 years old.

**Mark Russell** was appointed as an Independent Non-Executive Director of the Company on 11 August 2014. He was formerly a partner in the corporate finance departments of KPMG in London and Frankfurt, held senior positions at PwC Corporate Finance, Robert Fleming, Lazard Brothers and A.T. Kearney and was a non-executive director of Eurostar International Limited. As at the date of this Base Prospectus, Mr. Russell is the chief executive of the U.K. Government Investments and is a non-executive director of the Submarine Development Agency. A British citizen, he is 58 years old.

**Abdulla Mohamed Saeed Alghobash** was appointed as an Independent Non-Executive Director of the Company on 28 April 2016. He is a senior banker with over 30 years' experience. Previously, Mr. Alghobash served as a board member of Etisalat, Borse Dubai, Nasdaq Dubai, Emirates Institute for Banking and Financial Studies, UAE Banks Federation and Emaar. As at the date of this Base Prospectus, Mr. Alghobash is a board member of the DIFC Higher Board. He holds a Bachelor of Science from UAE University, has completed the Executive Management Program from Wharton Business School and holds a banking diploma from Citibank N.A. in Athens, Greece. A citizen of the UAE, he is 61 years old.

**Nadya Abdulla Mohamed Kamali Almarzooqi** was appointed as an Independent Non-Executive Director of the Company on 28 April 2016. She has over 25 years' experience in information technology, IT governance, compliance and risk management. As at the date of this Base Prospectus, Ms. Kamali Almarzooqi is the chairperson and managing director of Dutech and the chief executive officer of Customs World. She holds an MBA from American University of Sharjah and a Bachelor of Science from College of Engineering, Michigan State University. A citizen of the UAE, she is 48 years old.

**Mohamed Saif Ghanem Saif Alsuwaidi** was appointed as an Independent Non-Executive Director of the Company on 28 April 2016. As at the date of this Base Prospectus, Mr. Alsuwaidi is the director general of Abu Dhabi Fund for Development, the chairman of Al Ain Farms for Livestock Production and the vice chairman of Arab Bank for Investment and Foreign Trade. He also serves as a board member of First Abu Dhabi Bank PJSC, Raysut Cement (SAOG), UAE Red Crescent, Centre of Food Security of Abu Dhabi, Al Jazira Sport & Cultural Club and Agthia Group. He holds a Bachelor of Science in Business Administration from California Baptist University. A citizen of the UAE, he is 49 years old.

**Yuvraj Narayan** has served as Group Chief Financial Officer of the Group since 2005 and as a Director of the Company since 9 August 2006. He joined DP World FZE in 2004. He previously served as a non-executive director of Istithmar World P.J.S.C. and as ANZ Group's head of corporate and project finance for South Asia before becoming the chief financial officer of Salalah Port Services in Oman. He was also formerly a non-executive director of IDFC Securities Limited. As at the date of this Base Prospectus, Mr. Narayan is a non-executive director of HDFC International Life and Re Company Limited. He is a qualified Chartered Accountant and has a wealth of experience in the ports and international banking sectors. A citizen of the Republic of India, he is 61 years old.

For information related to the compensation of the Directors see "*Compensation*".

The business address for each of the Directors is c/o DP World PLC, P.O. Box 17000, Dubai, UAE.

His Excellency Sultan Ahmed Bin Sulayem is a representative of PFZW (being the Company's majority shareholder) on the Board, which may give rise to potential conflicts of interest with their duties to the Company (see "*Risk Factors – Risks Related to the Group – The Company's ultimate majority shareholder, Dubai World, and the Government have the ability to exert significant influence over the Group and their interests may conflict with the interests of the Group or the Certificateholders*").

Except as stated above, there are no actual or potential conflicts of interest as at the date of this Base Prospectus between the duties owed by the Directors to the Company and their private interests or other duties.

### **Senior Management**

In addition to the executive management appointed to the Board (being the Group Chief Executive Officer and the Group Chief Financial Officer), the day-to-day management of the Company's business is led by its senior management who, together with the Group Chief Executive Officer and the Group Chief Financial Officer, comprise the Company's "**Executive Committee**".

Name	Position(s)
Sultan Ahmed Bin Sulayem <sup>(1)</sup> .....	Group Chairman and Chief Executive Officer
Yuvraj Narayan <sup>(1)</sup> .....	Group Chief Financial Officer
Mohammed Al Muallem .....	Senior Vice President and Managing Director – UAE
Rashid Abdulla.....	Senior Vice President and Managing Director – Europe and Russia
Tiemen Meester.....	Senior Vice President and Manager Director – Americas

<sup>(1)</sup> Please refer to "*Management – Board of Directors*" for biographical details.

Brief biographies of each of the Company's Executive Committee (other than H.E. Sultan Ahmed Bin Sulayem and Yuvraj Narayan, whose biographies are set out above) are set out below.

**Mohammed Al Muallem** is Senior Vice President and Managing Director – UAE Region. Mr. Al Muallem began his current position when DPI was rebranded to "DP World" in 2005. Prior to this, he joined Port Rashid (Dubai) in 1983 as a trainee and progressed through various positions including planning engineer and assistant port engineer Manager. In 1991, he was appointed as a senior technical manager when DPA was created. Mr. Al Muallem performed a variety of roles at the DPA including deputy technical director, technical director, chief technical director and executive director – technical and technology. He was subsequently appointed as the chairman of the Executive Merging Team of the DPA and the executive coordinator for the Terminal 2 development at Jebel Ali Port. Mr. Al Muallem holds a Bachelor of Science in Industrial Engineering from the University of Portland and has completed extensive training in the U.K. at the University of Manchester, Cranfield College and British Airways.

**Rashid Abdulla** is Senior Vice President and Managing Director – Europe and Russia. He was previously the Senior Vice President and Managing Director – Asia-Pacific, prior to which he was the Senior Vice President Global Operations at the Company's head office. He joined the Group as a graduate trainee in 1995 and rose rapidly through the ranks. His first international assignment was in 2004, working as Manager – Container Terminal at DP World Constanta (Romania). Upon his return to Dubai in 2007, he was promoted to Director of Jebel Ali's Terminal 2 and subsequently was appointed as Director of Container Terminal 1. Mr. Abdulla holds a Bachelor of Arts in Geography from UAE University and a diploma in Maritime and Port Management from National University of Singapore.

**Tiemen Meester** is Senior Vice President and Managing Director – Americas Region since January 2017. Prior to joining the Group, Mr. Meester has held several business positions at Sea-Land, Maersk and APM Terminals (including the positions of senior vice president for new business at Maersk and vice president of human resources at APM Terminals). He has over 16 years' experience across the globe, covering large scale multi-port acquisitions, greenfield and brownfield port projects and ports and logistics responsibility over a large portfolio of ports and terminal. Mr. Meester holds educational qualifications from Columbia University, Cornell University, International Institute for Management Development and Harvard Business School and was a naval officer for five years at Merchant Maritime.

Each of the Executive Committee members can be contacted at the Group's registered office at c/o DP World PLC, P.O. Box 17000, Dubai, UAE.

There are no actual or potential conflicts of interest between the duties owed by the Executive Committee members to the Company and their private interests or other duties.

### Compensation

The Chairman (H.E. Sultan Ahmed Bin Sulayem) was not remunerated by the Company. The remuneration of the Independent Non-Executive Directors is a matter for the Chairman and executive members of the Board. For the year ended 31 December 2018, the Independent Non-Executive Directors received a fee, set out as follows, which included remuneration for their services in being a member of, or chairing, a Board committee (see "*Management – Corporate Governance*").

<u>Name</u>	<u>Non-Executive Director Fee</u>
Deepak Parekh .....	U.S.\$207,815
Robert Woods .....	U.S.\$172,455
Mark Russell <sup>(1)</sup> .....	U.S.\$157,396
Abdulla Mohamed Saeed Alghobash .....	U.S.\$152,975
Nadya Abdulla Mohamed Kamali Almarzooqi .....	U.S.\$196,270
Mohamed Saif Ghanem Saif Alsuwaidi .....	U.S.\$182,127

<sup>(1)</sup> Mark Russell has waived in full the fees due to him for the year ended 31 December 2018. An amount equivalent to these fees was donated to the Cardinal Hume Centre, U.K.

The Directors, other than the Group Chief Executive Officer and Group Chief Financial Officer, are not under service contracts with the Group with respect to their roles as Directors, and the Group does not have contractual obligations to provide benefits to the Directors upon termination of their directorships.

The Executive Directors' remuneration structure follows the market practice in the UAE and all payments are made tax free reflecting the UAE's status. Each of the Executive Directors is employed pursuant to a service agreement.

#### ***H.E. Sultan Ahmed Bin Sulayem***

H.E. Sultan Ahmed Bin Sulayem was granted a performance delivery plan award of 150 per cent. (out of a maximum of 150 per cent.) for performance linked to the 2017 financial year and a long-term incentive plan award of 149.5 per cent. (out of a maximum of 150 per cent.) for performance linked to the 2015-2017 cycle. His total remuneration for the year ended 31 December 2018 (which includes his base salary and these other benefits) was U.S.\$6.1 million.

#### ***Yuvraj Narayan***

Yuvraj Narayan was granted a performance delivery plan award of 100 per cent. (out of a maximum of 100 per cent.) for performance linked to the 2017 financial year and a long-term incentive plan award of 99.7 per cent. (out of a maximum of 100 per cent.) for performance linked to the 2015-2017 cycle. His total remuneration for the year ended 31 December 2018 (which includes his base salary and these other benefits) was U.S.\$2.0 million.

H.E. Sultan Ahmed Bin Sulayem and Yuvraj Narayan participate in the government pension scheme in accordance with the UAE labour law. Yuvraj Narayan would be entitled to end of service benefits on termination of employment in accordance with the UAE labour law.

#### ***Short-Term Bonus and Long-Term Incentive Plans***

The Company has adopted a short-term and a long-term incentive plan for its Executive Directors and management. The performance delivery plan for the 2018 financial year (award to be paid in 2019) and 2017 financial year (award paid in 2018) is worth a maximum of 150 per cent. of annual base salary. It is made up of two components: (i) a financial component worth 70 per cent. of the overall award value; and (ii) a personal component worth 30 per cent. of the overall award value.

The financial component is based on performance assessed against a budgeted profit after tax measure. Payout on the financial component is triggered if the Company achieves 95 per cent. of its target. Maximum payout on the financial component will occur if the Company achieves 105 per cent. of its target. The payout for performance between the 95 per cent. and 105 per cent. of target is on a straight-line basis. The objectives are particular to each individual role and can include financial based objectives and more qualitative ones.

The Company's long-term incentive plan is based on a three-year performance cycle and is a cash based plan. For the 2016-2018 (award to be paid in 2019), 2017-2019 (award to be paid in 2020) and 2018-2020 (award to be paid in 2021) performance cycles, the long-term incentive plan is based on the performance over three years and will be assessed against two budgeted measures, with 70 per cent. of the award linked to a return on capital employed measure<sup>1</sup> and 30 per cent. linked to an earnings per share measure. Each of these performance cycles is worth a maximum of 100 per cent. of average annual base salary for the

<sup>1</sup> Return on capital employed is EBIT (earnings before interest and tax) before SDIs as a percentage of total assets less current liabilities.



Executive Directors and a maximum of 75 per cent. of average annual base salary for the other senior managers.

### Directors' Interests

As at 31 December 2018, the Directors' shareholdings (ordinary shares) in the Company were as follows:

Name	Position(s)	Shareholding
Yuvraj Narayan .....	Director and Group Chief Financial Officer	13,864
Mohammed Al Muallem .....	Senior Vice President and Managing Director – UAE	4,712
Robert Woods .....	Director	2,700

### Corporate Governance

For the year ended 31 December 2018, the Company complied with the regulatory obligations of the Markets Law and the various rules made by the DFSA thereunder (together with the Markets Law, the "**Nasdaq Dubai Rules**"), other than paragraph 16 of Appendix 4 to the Nasdaq Dubai Rules in that the positions of Chairman and Chief Executive Officer were held by the same person.

As at the date of this Base Prospectus, the Board is comprised of eight members, consisting of two Executive Directors and six Non-Executive Directors. Of these, Deepak Parekh, Robert Woods, Mark Russell, Abdulla Mohamed Saeed Alghobash, Nadya Abdulla Mohamed Kamali Almarzooqi and Mohamed Saif Ghanem Saif Alsuwaidi are independent.

The Chairman, in conjunction with the Senior Independent Director, is responsible for leadership and effective management of the Board in all aspects of its role and its governance. The Chairman chairs the Board meetings ensuring, with the support of the Senior Independent Director, that the agendas are forward looking and that relevant business is brought to the Board for consideration in accordance with the schedule of matters reserved to the Board and that each Director has the opportunity to consider the matters brought to the meeting and to contribute accordingly. The Group Chief Executive Officer, as leader of the Group's executive team, retains responsibility for the leadership and day-to-day management of the Group and the execution of its strategy as approved by the Board.

The Board's principal committees include the audit committee (the "**Audit Committee**"), the nominations and governance committee (the "**Nominations and Governance Committee**") and the remuneration committee (the "**Remuneration Committee**"), with formally delegated duties and responsibilities and written terms of references. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises. The Executive Committee has primary responsibility for the day-to-day management of the Group's operations and strategic policy implementation (such policies being established and approved by the Board) (see further "*Management – Senior Management*").

#### *Audit Committee*

The Audit Committee assists the Board in discharging its responsibilities with regard to financial reporting and external and internal audits and controls. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

External and internal auditors are invited to attend the Audit Committee meetings, along with any other Director or member of staff considered necessary by the Audit Committee to complete its work. The Audit Committee meets with external auditors and internal auditors without Executive Directors or members of staff present at least once a year, and additionally as it considers appropriate.

The Audit Committee's remit includes the following:

- making recommendations to the Board on the appointment and remuneration of the external auditor and reviewing and monitoring the external auditors' performance, expertise, independence and objectivity along with the effectiveness of the audit process and its scope;
- reviewing and monitoring the integrity of the Group's financial statements and the significant reporting judgements contained in them;
- monitoring the appropriateness of accounting policies and practices;

- reviewing the adequacy and effectiveness of financial reporting and internal control policies and procedures and risk management systems;
- reviewing and monitoring the activities and effectiveness of the internal audit function;
- reviewing the effectiveness of the Group's whistleblowing policies; and
- monitoring risks and compliance procedures across the Group.

As at 30 June 2019, the membership of the Company's Audit Committee was comprised of three members, all of whom are Independent Non-Executive Directors (namely Deepak Parekh, Mark Russell and Mohamed Al Suwaidi). The Audit Committee is chaired by Mark Russell whom the Board considers has appropriate financial expertise to fulfil this role.

The Audit Committee meets formally at least four times a year and otherwise as required.

#### ***Nominations and Governance Committee***

The Nominations and Governance Committee assists the Board in discharging its responsibilities relating to the size and composition of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors as the need may arise. The Nominations and Governance Committee is responsible for evaluating the balance of skills, knowledge, experience and diversity on the Board and, in particular:

- recommending individuals to be considered for election at the next annual general meeting of the Company or to fill vacancies; and
- preparing a description of the role and capabilities required for a particular appointment.

As at 30 June 2019, the Company's Nominations and Governance Committee was composed of four members, three of whom are Independent Non-Executive Directors (namely Nadya Abdulla Mohamed Kamali Almarzooqi, Robert Woods and Abdulla Mohamed Saeed Alghobash) and one of whom is an Executive Director (namely H.E. Sultan Ahmed Bin Sulayem). The Nominations and Governance Committee is chaired by Nadya Abdulla Mohamed Kamali Almarzooqi.

The Nominations and Governance Committee meets formally at least twice a year and otherwise as required.

#### ***Remuneration Committee***

The Remuneration Committee determines and agrees with the Board the framework and broad policy for the remuneration of the Group Chief Executive Officer and Group Chief Financial Officer and other members of the Company's senior management. The policy of the committee is to review remuneration based on independent assessment and market practice. The remuneration of Independent Non-Executive Directors is a matter for the Chairman and executive members of the Board. No executive is involved in any decisions as to their own remuneration. The Remuneration Committee:

- reviews and provides the Board with a recommendation for a suitable remuneration framework for the Company;
- monitors the level and structure of remuneration for the Company's senior management and recommends adjustments where appropriate;
- keeps under review its own performance, constitution and terms of reference; and
- considers other matters as referred to it by the Board.

As at 30 June 2019, the membership of the Company's Remuneration Committee was comprised of four members, all of whom are Independent Non-Executive Directors (namely Deepak Parekh, Robert Woods, Mark Russell and Mohamed Saif Ghanem Saif Alsuwaidi). The Remuneration Committee is chaired by Deepak Parekh.

The Remuneration Committee meets formally at least twice a year and otherwise as required.

### **Employees**

As at 31 December 2018, the Group had a team of more than 45,000 people (including those employed by consolidated subsidiaries and joint ventures). The Group's employees are engaged under a variety of employment arrangements, including, pursuant to individual employment contracts, collective bargaining agreements and through third-party sourcing. A significant majority of the Group's employees operate pursuant to collective bargaining agreements that typically cover employees in the relevant countries. The Group believes that the material terms of its collective bargaining agreements and other terms of employment are customary for the countries and industries in which the Group operates.

## PORTS OPERATION INDUSTRY OVERVIEW

*Unless otherwise indicated, the information set forth below has been sourced to the Drewry's Global Container Terminal Operators Annual Review and Forecast 2019 or Drewry Container Forecaster Q2 2019.*

### Overview

Global seaborne trade consists of three main segments: general cargo, which is carried by conventional shipping vessels; liquid cargo, which is carried by specialised vessels such as tankers; and containerised cargo, which is carried by container vessels.

Containerisation of cargo increases the efficiency of its transportation by standardising the container used for both seaborne and overland transportation of cargo. This facilitates the integrated multi-modal transportation of cargo by sea, rail and road. Containerisation also allows for the efficient storage of goods on ships or on land, provides protection against damage to goods in transit, increases the security of the cargo during transport and enables faster loading and unloading of cargo.

First introduced in the 1950s, container shipping has expanded rapidly since that time to emerge as the dominant method for the international transportation of a broad spectrum of industrial and consumer goods, including agricultural products, raw materials and semi-manufactured and finished consumer goods. The container terminal industry has grown in line with the container shipping industry, which in turn has benefited in particular from the globalisation of world trade. Global throughput Global port throughput growth will decelerate to 3.0 per cent. in 2019.

### Industry Trends

All port and terminal operators are experiencing a number of industry trends, some of which have wide ramifications. The most important of these trends are:

#### *Deployment of ultra-large containerships*

Over the years, there has been a step-change in the size of container ships. In addition, container ships' capacity has not increased in proportion to their increased length. For instance, the length of the 19,200 TEU *MSC Oscar* is less than twice that of a first-generation 1,400 TEU ship, yet its TEU capacity is nearly 14 times greater. This in turn has resulted in increased operating costs for ports and terminals since bigger ships take longer to offload but are less frequent and make fewer port calls which means greater peaks and troughs shipside and landside. This results in inefficient use of terminal capacity and creates challenges in terms of dock labour requirements and terminal automation requirements.

Further, ports and terminals have had to increase their capital expenditure as well in order to cater to larger ships. For instance, terminals have increased berth depth (from 14 metres in 2004 to 17 metres in 2014), increased gantry crane outreach (from 17 boxes wide in 2004 to 23 boxes wide in 2014) and increased required target productivity (from approximately 75 boxes per hour in 2004 to 150 boxes per hour in 2014). Bigger ships are also leading to a greater segmentation of terminal capacity, with very few berths and terminals being able to handle fully-loaded ultra large container vessels. This process is also leading to more rapid obsolescence of terminal capacity.

#### *Expansion of shipping line alliances*

Given the requirement to fill bigger container ships with cargo, shipping lines are forming alliances and sharing ships. Carrier alliances are growing in size and scope, which gives them a greater geographical reach and results in a greater concentration of volumes in fewer players (such as the merger of China Shipping Container Lines and Cosco Group and the acquisition of Neptune Orient Lines by CMA CGM). This may lead to more complicated negotiation of terminal contracts with alliance members wanting to benefit from "bulk" rates. Further, given the possibility of alliances calling at more than one terminal in the same port, there is also increasing pressure on terminal owners and operators for terminal consolidation in order to avoid fragmentation of terminal capacity.

### ***Growth of inland container terminals and multi-modal hubs***

Inland container terminals and multi-modal hubs that are efficiently managed have witnessed strong growth over recent years. An inland port can speed the flow of cargo between ships and major land transportation networks, creating a more central distribution point. Inland terminals can improve the movement of imports and exports, moving time-consuming container sorting and processing inland, away from congested seaports. This can be an inexpensive method of adding capacity as many seaports face capacity constraint on the landside. Multi-modal hubs, where goods can be efficiently transported by either sea, rail, road or air are attractive to cargo owners as they can reduce transportation time.

### ***Financial pressures on shipping lines***

Due to shipping lines operating under heavy debt, there is increasing pressure on terminal operators to lower the terminal handling price. In addition, there are increasing opportunities for the acquisition of terminal assets by other carriers (or their terminal arms) and for stevedores and financial investors to fill the void for carriers unable to invest in critical terminal capacity.

### ***Cooperation among global and international terminal operators on the rise***

There has been an increasing instance of global and international terminal operators entering into joint ventures or strategic alliances with each other (such as APM Terminals and Terminal Investment Limited, APM Terminals and China Shipping Terminal Development, International Container Terminal Services Inc. and PSA International, and International Container Terminal Services Inc. and CMA CGM). As a result, not only is the competition landscape becoming more complex, but the shipping line alliances are less able to take advantage of their bargaining position.

### ***Rapidly emerging international terminal operators and owners***

The industry is currently characterised by long-established operators (such as Hutchison Port Holdings, APM Terminals, PSA International and the Group) as well as new entrants into the international markets. For instance, China Merchants Ports has been very active over the past years in pursuing greenfield developments and making acquisitions outside its home base in China such as its acquisition in mid-2013 of a 49 per cent. stake in CMA CGM's Terminal Link and acquisition of a 90 per cent. stake in Brazilian port TCP Participacoes in 2017. As a result, competition for available assets and opportunities (including acquisitions or new concessions) has increased in the last few years.

### ***Financial investor churn***

Ownership of terminals by financial investors is experiencing churn as the lifespan of their investments runs its course and they make exits (for instance, Goldman Sachs sold its stake in SSA Marine in early 2014). At the same time, other companies such as Brookfield Asset Management and Macquarie are making investments in the port sector. This process is creating merger and acquisition opportunities in the industry.

### ***Terminal automation gathering pace***

The use of automated equipment, especially yard automation, is becoming much more common, even in low labour cost locations. Other forms of automation, such as remote-controlled gantry cranes, are also becoming viable options. As a result, terminal operators need to keep abreast of fast moving technological developments and consider transitioning to automation.

### ***Containerisation/Global Throughput***

The rate of containerisation has slowed over the past 30 years because almost all tradable goods that are capable of being transported along the deep-sea trade routes in containers are now transported in this way and, in recent years, the rate of containerisation has increasingly reflected the containerisation of new products, such as paper and other types of cargo that were traditionally considered break bulk, which advances in technology have enabled. However, despite the near-completion of the process of containerisation, trade routes to and from particular countries and geographical regions, notably Latin America, the Indian Subcontinent and Africa, continue to offer scope for significant growth in container volumes.

Adverse global economic trends led to container throughput at the world's ports falling for the first time ever, from 525 million TEU in 2008 to 473 million TEU in 2009, a drop of almost 10 per cent. Most global container terminal operators experienced reduced volumes across their networks during 2009 before volumes started increasing in 2010. However, according to current forecasts in the Drewry Container Forecaster Q2 2019, estimated annual growth in global container port throughput continued to record a healthy level in the first three months of 2019, registering 2.0 per cent. Drewry currently estimates global container port throughput growth of 3.0% in 2019 and 4.5 per cent. growth 2020.

### Regional Variations in Demand

There are significant regional variations in container traffic. The following table gives a forecast of container activity by region:

	2017	2018	2019	2020	2021	2022	2023
	(TEU's in '000)						
<b>Asia</b> .....	<b>404,411</b>	<b>423,077</b>	<b>438,555</b>	<b>460,154</b>	<b>484,990</b>	<b>510,370</b>	<b>538,370</b>
% change on previous year.....	6.6%	4.6%	3.7%	4.9%	5.4%	5.2%	5.5%
share of world total.....	54.0%	54.0%	54.4%	54.6%	54.8%	55.1%	55.3%
<b>Europe</b> .....	<b>129,163</b>	<b>135,637</b>	<b>139,166</b>	<b>143,385</b>	<b>148,774</b>	<b>154,297</b>	<b>159,938</b>
% change on previous year.....	5.8%	5.0%	2.6%	3.0%	3.8%	3.7%	3.7%
share of world total.....	17.3%	17.3%	17.2%	17.0%	16.8%	16.6%	16.4%
<b>North America</b> .....	<b>63,898</b>	<b>57,518</b>	<b>70,339</b>	<b>72,302</b>	<b>75,129</b>	<b>77,821</b>	<b>80,728</b>
% change on previous year.....	8.1%	5.7%	4.2%	2.8%	3.9%	3.6%	3.7%
share of world total.....	8.5%	8.6%	8.7%	8.6%	8.5%	8.4%	8.3%
<b>Latin America</b> .....	<b>44,958</b>	<b>47,796</b>	<b>46,361</b>	<b>49,341</b>	<b>51,755</b>	<b>54,505</b>	<b>57,291</b>
% change on previous year.....	6.5%	6.3%	-3.0%	6.4%	4.9%	5.3%	5.1%
share of world total.....	6.0%	6.1%	5.7%	5.9%	5.9%	5.9%	5.9%
<b>Middle East</b> .....	<b>40,043</b>	<b>38,992</b>	<b>39,338</b>	<b>40,177</b>	<b>41,713</b>	<b>43,561</b>	<b>45,516</b>
% change on previous year.....	3.4%	-2.6%	0.9%	2.1%	3.8%	4.4%	4.5%
share of world total.....	5.4%	5.0%	4.9%	4.8%	4.7%	4.7%	4.7%
<b>South Asia</b> .....	<b>27,218</b>	<b>29,992</b>	<b>32,100</b>	<b>34,810</b>	<b>37,545</b>	<b>40,282</b>	<b>43,079</b>
% change on previous year.....	11.2%	10.2%	7.0%	8.4%	7.9%	7.3%	6.9%
share of world total.....	3.6%	3.8%	4.0%	4.1%	4.2%	4.3%	4.4%
<b>Africa</b> .....	<b>26,110</b>	<b>27,500</b>	<b>27,671</b>	<b>29,038</b>	<b>30,487</b>	<b>32,021</b>	<b>33,655</b>
% change on previous year.....	6.0%	5.3%	0.6%	4.9%	5.0%	5.0%	5.1%
share of world total.....	3.5%	3.5%	3.4%	3.4%	3.4%	3.5%	3.5%
<b>Oceania</b> .....	<b>12,586</b>	<b>13,119</b>	<b>13,271</b>	<b>13,653</b>	<b>13,911</b>	<b>14,181</b>	<b>14,464</b>
% change on previous year.....	6.3%	4.2%	1.2%	2.9%	1.9%	1.9%	2.0%
share of world total.....	1.7%	1.7%	1.6%	1.6%	1.6%	1.5%	1.5%
<b>World</b> .....	<b>748,386</b>	<b>783,630</b>	<b>806,800</b>	<b>842,861</b>	<b>884,302</b>	<b>927,038</b>	<b>973,042</b>
% change on previous year.....	6.5%	4.7%	3.0%	4.5%	4.9%	4.8%	5.0%

Source: Drewry Maritime Research.

### O&D versus Transshipment

The two main categories of throughput are origin and destination (O&D), also referred to as import and export, and transshipment. Every container shipped by sea is by definition an export container at the origination terminal and an import container at the destination terminal. A container that is transferred from one ship to another at some point during the journey is said to be transhipped, which gives rise to transshipment throughput at an intermediate terminal somewhere between the load terminal and the discharge terminal.

#### O&D

O&D throughput is often preferred by container terminal operators for the following reasons:

- terminal operators typically earn more revenue per quay crane lift from O&D throughput than from transshipment throughput;
- terminal operators earn additional revenue by charging for delivery or reception of the container from the shipper or consignee;

- terminal operators have the opportunity to generate additional revenue from ancillary services, such as container freight stations and container cleaning; and
- whereas shipping lines can relatively easily transfer transshipment throughput to other ports in the same region, O&D throughput is usually most cost-effectively handled by one port, preferably close to the point of consumption, which makes O&D throughput less likely to be lost to competitors and less price sensitive than transshipment throughput.

### ***Hub-and-Spoke (Gateway)***

As the latest generation of container ships on order have nominal capacities in excess of 18,000 TEU and are too wide and too deep to call at many ports in the world, shipping lines may instead seek to, or be required to, rationalise the number of port calls they make. This trend is expected to result in shipping lines favouring larger, centrally placed ports in a region leading to the creation of hub-and-spoke or gateway terminals. To compete effectively under this model, container terminal operators will need to be able to handle larger vessels, and some operators already have the necessary infrastructure in place or are constructing new facilities with this factor in mind. The hub-and-spoke model also implies an increased level of throughput carried by feeder lines between hub ports and final destinations, which places demands on smaller ports to develop the facilities necessary to handle containers at dedicated container berths.

### ***Transshipment***

Despite the advantages of O&D throughput, there are numerous large container terminals around the world for which transshipment accounts for a very high percentage of total throughput. Current examples include Singapore, Tanjung Pelepas (Malaysia), Gioia Tauro (Italy), Salalah (Oman), Algeciras (Spain), Balboa (Panama), Freeport (Bahamas) and Marsaxlokk (Malta). Many of these terminals are operated by, or involve an equity stake holding by, a major shipping line, which benefits from the transshipment capacity and provides the terminal with a reliable level of volume. However, shipping lines often prefer not to transship containers, where possible, as they are not always able to pass on the full costs associated with transshipment to their customers.

### **Leading Container Terminal Operators**

The container terminal industry is characterised by a small number of large operators. The ten largest terminal operators by throughput collectively accounted for 551.2 million TEU, or 70.4 per cent., of global gross throughput as at 31 December 2018. Global terminal operators compete increasingly based on the size and diversification of their terminal portfolios, which enable them to offer global networks to their liner customers, who are themselves consolidating and becoming increasingly large. Consequently, new container terminal market participants face significant barriers to entry.

The following table provides a breakdown of terminal operators by gross throughput and market share for the year ended 31 December 2018 and the year ended 31 December 2017.

	Gross throughput		Market share of gross throughput		Growth/ Decline	
	2018	2017	2018	2017	(TEU in millions)	(per cent.)
	<i>(TEU in millions)</i>		<i>(per cent.)</i>			
Cosco .....	105.8	91.3	13.5	12.2	14.5	15.9
Hutchison Ports <sup>(1)</sup> .....	82.6	82.3	10.5	11.0	0.2	0.3
PSA International .....	80.1	73.9	10.2	9.9	6.2	8.4
APM Terminals .....	78.6	76.3	10.0	10.2	2.3	3.1
DP World .....	70.0	68.7	8.9	9.2	1.3	1.9
Terminal Investment Limited <sup>(2)</sup> .....	47.7	44.0	6.1	5.9	3.7	8.4
China Merchants Ports .....	34.5	31.0	4.4	4.2	3.5	11.4
CMA CGM <sup>(3)</sup> .....	25.6	24.8	3.3	3.3	0.9	3.5
Eurogate .....	13.7	13.8	1.7	1.9	(0.1)	(1.1)
SSA Marine.....	12.6	11.3	1.6	1.5	1.3	11.4
Ten largest global terminal operators.....	551.2	517.4	70.4	69.3	33.8	6.5
Remaining global terminal operators.....	75.1	73.3	9.6	9.9	1.8	2.3
<b>Global operators total .....</b>	<b>626.6</b>	<b>582.9</b>	<b>80.0</b>	<b>78.2</b>	<b>43.7</b>	<b>7.5</b>

Note: Unless stated otherwise figures include total annual throughput for all terminals in which more than 10% shareholding held as at 31 December 2017 or 31 December 2018. Figures do not include stevedoring operations at common user terminals and also exclude barge/river terminals. Due to method of calculation there is some degree of variation between Drewry's figures and some terminal operators' publicly announced results. Some figures are estimated.

<sup>(1)</sup> Hutchison figure includes HPH Trust volumes.

<sup>(2)</sup> TIL figure does not include MSC/affiliated companies.

<sup>(3)</sup> CMA CGM includes APL terminals.

Source: Drewry Maritime Research.

Drewry divides global terminal operators into three broad categories:

- **Global stevedores** – these are companies whose primary business is port operations and that view terminals as profit centres;
- **Global carriers** – these are companies whose main business is container shipping, but which have investments in container terminals to support this core activity and that often run terminals as cost centres; and
- **Global hybrids** – these are companies where the main activity, or that of the parent group, is container shipping, but which have established separate terminal operating business units that handle a significant amount of third party business, as well as in-house traffic.

Of the top ten largest terminal operators by gross throughput, Drewry considers seven to be global stevedores (comprised of Hutchison Port Holdings, PSA International, DP World, Terminal Investment Limited, China Merchants Ports, Eurogate and SSA Marine) and three to be global hybrids (comprised of Cosco, APM Terminals and CMA CGM).



## SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

*The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the relevant principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Trustee and the Issuing and Paying Agent (as defined in the relevant Conditions).*

### **Manafae Series Transaction Documents**

#### ***Manafae Series Master Purchase of Services Agreement, as supplemented by the relevant Manafae Series Supplemental Purchase of Services Agreement***

The amended and restated Manafae Series Master Purchase of Services Agreement will be entered into on 2 September 2019 between the Trustee (as purchaser) and the Company (as seller, in such capacity, the "**Seller**"). The Trustee and the Seller will subsequently enter into a Manafae Series Supplemental Purchase of Services Agreement on the Issue Date of each Manafae Tranche (together, the "**Manafae Series Purchase of Services Agreement**"). The Manafae Series Master Purchase of Services Agreement and each Manafae Series Supplemental Purchase of Services Agreement will be governed by English law.

Pursuant to the relevant Manafae Series Purchase of Services Agreement, on the Issue Date of each Manafae Tranche, the Seller will sell to the Trustee and the Trustee will purchase from the Seller (in the case of the first Manafae Tranche of the relevant Manafae Series) certain Initial Throughput Services or (in the case of each subsequent Manafae Tranche of the relevant Manafae Series) certain Tap Throughput Services, in each case, comprising:

- (i) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Allotted Throughput Services**") which will be made available to the Trustee with effect from the first day of each period identified in the schedule to the relevant Manafae Series Supplemental Purchase of Services Agreement until the last day of each such period (each such period a "**Distribution Period**");
- (ii) (if applicable to the relevant Manafae Tranche) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Additional Throughput Services**") which will be made available to the Trustee with effect from the first day of the last Distribution Period identified in the schedule to the relevant Manafae Series Supplemental Purchase of Services Agreement until the last day of such Distribution Period; and
- (iii) (if applicable to the relevant Manafae Tranche) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Further Throughput Services**") which will be made available to the Trustee with effect from the first day of each further period occurring after the relevant Scheduled Dissolution Date (each such further period being a "**Further Period**") identified in the schedule to the relevant Manafae Series Supplemental Purchase of Services Agreement until the last day of such Further Period,

in each case, out of the Company's available capacity and from the relevant ports of the Company (the "**Relevant Ports**") identified in the relevant Manafae Series Supplemental Purchase of Services Agreement, in consideration for payment of a purchase price equal to the proceeds of issuance of the relevant Series of Certificates.

Further Throughput Services will only be required for a Series where the operating capacity of the Company in respect of Throughput Services from the Relevant Ports in the final period ending on the Scheduled Dissolution Date of a Manafae Series is not sufficient to cover the number of TEUs that would be required to be sold in that period in order to redeem all of the Manafae Series Certificates of that Manafae Series in whole (together with any accrued Periodic Distribution Amounts).

#### ***Manafae Series Service Agency Agreement***

The amended and restated Manafae Series Service Agency Agreement will be entered into on 2 September 2019 between the Trustee (as principal) and the Company (as service agent, in such capacity, the "**Manafae Series Service Agent**"). The Manafae Series Service Agent and the Trustee shall enter into a services plan

(each a "**Manafae Series Services Plan**") on the Issue Date of each Manafae Tranche. The Manafae Series Service Agency Agreement will be governed by English law.

Under the terms of the Manafae Series Service Agency Agreement, the Trustee will, in relation to each Manafae Series, appoint the Company as its Manafae Series Service Agent to provide certain services (the "**Manafae Series Services**") from the Issue Date of that Manafae Series to the date on which such Manafae Series Certificates have been redeemed in full (the "**Manafae Series Services Period**"). In particular, in respect of each Manafae Series, the Manafae Series Service Agent undertakes to provide, or procure the provision of, amongst other services more particularly specified in the Manafae Series Service Agency Agreement, the following Manafae Series Services:

- (i) it shall, exclusively for and on behalf of the Trustee, in respect of each Distribution Period of a Manafae Series, sell the relevant Allotted Throughput Services for container handling services delivered during the same Distribution Period in the number specified for the relevant Distribution Period in the relevant Manafae Series Services Plan at a price at least equal to the applicable minimum sale price (in respect of each TEU) specified in the relevant Manafae Series Services Plan (the "**Minimum Sale Price**"), which shall be calculated by applying the relevant Profit Rate to the acquisition cost per TEU (as specified in the relevant Manafae Series Supplemental Purchase of Services Agreement);
- (ii) if the Manafae Series Service Agent:
  - (a) fails to sell all of the Allotted Throughput Services in respect of a Distribution Period; and/or
  - (b) sells all or a portion of the Allotted Throughput Services for less than the relevant Minimum Sale Price in respect of a Distribution Period,

it shall notify the Trustee in writing in accordance with the Manafae Series Service Agency Agreement, in each case by no later than the date falling 5 Business Days prior to the end of the Distribution Period to which such Allotted Throughput Services relate specifying:

- (1) in the case of paragraph (i) above, the number of Allotted Throughput Services that were not sold during the relevant Distribution Period (such unsold Allotted Throughput Services being the "**Surplus Allotted Throughput Services**"); and/or
- (2) in the case of paragraph (ii) above, the Sales Shortfall determined in the manner described below,

and in connection therewith the Manafae Series Service Agent undertakes that it will not, following a notification in accordance with this paragraph (ii), sell any further Allotted Throughput Services in respect of the Distribution Period to which such notification relates; and

- (iii) it shall monitor, and keep an internal record of, the aggregate Allotted Throughput Services held by the Trustee or by the Company on its behalf in respect of a Manafae Series that have not been sold to end customers pursuant to the provisions of the Manafae Series Service Agency Agreement or to the Company pursuant to the other Manafae Series Transaction Documents (the "**Outstanding Throughput Services**") and all amounts credited to the relevant Manafae Series Collection Account and Manafae Series Reserve Account (each as defined below), in each case from time to time.

The Service Agent agrees, in relation to each Manafae Series, that if in respect of any Distribution Period under that Manafae Series, any Allotted Throughput Services are sold for less than the relevant Minimum Sale Price, (the difference between (i) the sum of: (a) the aggregate amounts received by the Manafae Series Service Agent (in any capacity) in whatever currency in respect of or otherwise in connection with the sale of the relevant Allotted Throughput Services (the "**Sales Proceeds**"); and (b) the amounts standing to the credit of the Manafae Series Collection Account (if any); and (ii) the aggregate of the Minimum Sale Price for such Allotted Throughput Services being referred to as the "**Sales Shortfall**"), the Manafae Series Service Agent will pay to the Trustee out of the Manafae Series Reserve Account (or, if the amounts standing to the credit of the Manafae Series Reserve Account are not sufficient after re-crediting any amounts previously deducted as required pursuant to the terms of the Manafae Series Service Agency Agreement, the Manafae Series Service Agent will pay to the Trustee by way of indemnity on an after tax

basis) the Sales Shortfall and shall ensure that an amount in cash equal to such Sales Shortfall is paid into the Manafae Series Transaction Account by no later than the immediately following Distribution Determination Date (as defined in the Manafae Series Service Agency Agreement) (or, if earlier, by no later than the Business Day immediately preceding the Dissolution Date or Partial Dissolution Date) to ensure that the Trustee receives on each Distribution Determination Date the Required Amount (as defined below) payable by it in accordance with the Conditions on the immediately following Periodic Distribution Date (or, as the case may be, all such amounts as are required to be paid on the Dissolution Date or Partial Dissolution Date in respect of such Certificates).

In relation to each Manafae Series, the Manafae Series Service Agent will on the relevant Issue Date create and thereafter maintain two ledger accounts as internal records (such accounts being referred to as the "**Manafae Series Collection Account**" and the "**Manafae Series Reserve Account**") each of which shall be denominated in the Specified Currency of the relevant Manafae Series and shall maintain and operate each such account for the relevant Manafae Series Services Period. An amount equal to all Sales Proceeds in relation to each Manafae Series will be recorded in the relevant Manafae Series Collection Account as and when received.

The Manafae Series Service Agent will procure the application of the amounts standing to the credit of the Manafae Series Collection Account of each Manafae Series on each Distribution Determination Date in respect of that Manafae Series and on the Business Day immediately preceding each Dissolution Date in the following order of priority:

- (i) *first*:
  - (a) in respect of such Distribution Determination Date, in payment into the Manafae Series Transaction Account of the Required Amount payable on the immediately following Periodic Distribution Date; or
  - (b) in respect of a Dissolution Date, an amount equal to any shortfall between the amounts standing to the credit of the Manafae Series Transaction Account on the Business Day immediately preceding such Dissolution Date and the amount required to redeem the relevant Manafae Series in full,  
  
or, in each case, such lesser amount as is then standing to the credit of the Manafae Series Collection Account; and
- (ii) *second*, for credit to the Manafae Series Reserve Account.

For these purposes, "**Required Amount**" means, in relation to each Manafae Series, and each Periodic Distribution Date under that Manafae Series:

- (i) in relation to a Periodic Distribution Date which is not also the Scheduled Dissolution Date of that Manafae Series, an amount equal to the Periodic Distribution Amounts payable by the Trustee in respect of the relevant Manafae Series Certificates on the Periodic Distribution Date; and
- (ii) in relation to a Periodic Distribution Date which is also the Scheduled Dissolution Date of that Manafae Series, an amount equal to the Final Dissolution Amount payable by the Trustee in respect of the relevant Manafae Series Certificates on the relevant Scheduled Dissolution Date,

in each case, less such amount as is standing to the credit of the Manafae Series Transaction Account and available for the purposes of making a payment to Manafae Series Certificateholders on the relevant Periodic Distribution Date or the Scheduled Dissolution Date, as the case may be.

Amounts standing to the credit of the Manafae Series Reserve Account of each Manafae Series shall be applied by the Manafae Series Service Agent as follows:

- (i) if on a Distribution Determination Date relating to that Manafae Series (after: (a) payment of an amount equal to the amounts standing to the credit of the Manafae Series Collection Account into the Manafae Series Transaction Account in accordance with the paragraph above; and (b) taking into account any other payments made or to be made into the Manafae Series Transaction Account pursuant to any other Manafae Series Transaction Document) there is a shortfall between: (1) the amounts standing to the credit of the Manafae Series Transaction Account; and (2) the Periodic

Distribution Amounts or Final Dissolution Amount, as applicable payable on the immediately following Periodic Distribution Date (each a "**Shortfall**"), by paying into the Manafae Series Transaction Account on that Distribution Determination Date an amount equal to the Shortfall (or such lesser amount as is then standing to the credit of the Manafae Series Reserve Account, after the re-credit to the Manafae Series Reserve Account of all amounts (if any) that were previously deducted by and used for the account of the Manafae Series Service Agent in accordance with the Manafae Series Service Agency Agreement);

- (ii) the Manafae Series Service Agent will be entitled to deduct amounts standing to the credit of the Manafae Series Reserve Account at any time during the relevant Manafae Series Services Period and use such amounts for its own account, provided that it shall re-credit all such amounts to the Manafae Series Reserve Account if so required to fund a Shortfall in accordance with paragraph (i) above or a Sales Shortfall; and
- (iii) following payment in full of all amounts due and payable under the Manafae Series on the relevant Dissolution Date, the Manafae Series Service Agent shall be entitled to retain: (a) any amounts deducted pursuant to paragraph (ii) above (and not re-credited to the relevant Manafae Series Reserve Account as contemplated by paragraph (ii) above); and (b) any amounts that remain standing to the credit of the relevant Manafae Series Reserve Account on such date for its own account as a final incentive fee for acting as Manafae Series Service Agent in relation to the relevant Manafae Series (each an "**Incentive Payment**").

If, in relation to a Manafae Series:

- (i) the Trustee or the Delegate has delivered a Manafae Series Exercise Notice pursuant to clause 3.1.1 of the Manafae Series Purchase Undertaking;
- (ii) the Trustee has delivered a Manafae Series Exercise Notice pursuant to clause 3.1.2 of the Manafae Series Purchase Undertaking;
- (iii) the Trustee has delivered a Manafae Series Exercise Notice pursuant to clause 3.1.5 of the Manafae Series Purchase Undertaking; or
- (iv) the Trustee has delivered a Manafae Series Exercise Notice pursuant to clause 3.1.6 of the Manafae Series Purchase Undertaking,

the Company shall, to the extent that the relevant Throughput Services are available, purchase such Throughput Services in accordance with the Manafae Series Purchase Undertaking and:

- (a) on the Dissolution Event Redemption Date (in the case of paragraph (i) above), the relevant Distribution Determination Date (in the case of paragraph (ii) above), the Scheduled Dissolution Date (in the case of paragraph (iii) above) or the Non-Payment Redemption Date (in the case of paragraph (iv) above), immediately credit the relevant Manafae Series Exercise Price, Sale Exercise Price, Further Exercise Price or Non-Payment Exercise Price (each as defined below), as the case may be, to the relevant Manafae Series Collection Account; and
- (b) immediately following the credit referred to in paragraph (a) above being made to the Manafae Series Collection Account:
  - (1) (in the case of paragraph (i) above), debit an amount equal to the Relevant Amount from the Manafae Series Collection Account and pay a cash sum equal to the Relevant Amount into the Manafae Series Transaction Account (in the Specified Currency by wire transfer for same day value) for the purposes of redemption of the outstanding Certificates in full in accordance with the Manafae Series Conditions on the Dissolution Event Redemption Date;
  - (2) (in the case of paragraph (ii) above), debit an amount equal to the Required Amount from the Manafae Series Collection Account and pay a cash sum equal to the Required Amount into the Manafae Series Transaction Account (in the Specified Currency by wire transfer for same day value) (to the extent not already paid in accordance with the terms of the Manafae Series Service Agency Agreement) for the purposes of paying all amounts due and payable to Manafae Series Certificateholders in accordance with the Manafae Series

Conditions on the relevant Periodic Distribution Date or, as the case may be, the Scheduled Dissolution Date;

- (3) (in the case of paragraph (iii) above), debit an amount equal to the Required Amount from the Manafae Series Collection Account and pay a cash sum equal to the Required Amount into the Manafae Series Transaction Account (in the Specified Currency by wire transfer for same day value) (to the extent not already paid in accordance with the terms of the Manafae Series Service Agency Agreement) for the purposes of redemption of the outstanding Manafae Series Certificates in full in accordance with the Manafae Series Conditions on the relevant Scheduled Dissolution Date; or
- (4) (in the case of paragraph (iv) above), as required, debit an amount equal to the Non-Payment Amount (as defined below) from the Manafae Series Collection Account and pay a cash sum equal to the Non-Payment Amount into the Manafae Series Transaction Account (in the Specified Currency by wire transfer for same day value) (to the extent not already paid in accordance with the terms of the Manafae Series Service Agency Agreement) for the purposes of paying all amounts due and payable to Manafae Series Certificateholders in accordance with the Manafae Series Conditions.

For these purposes:

**"Non-Payment Amount"** means, in relation to each Manafae Series, in relation to an exercise of the Trustee's right pursuant to clause 3.1.6 of the Manafae Series Purchase Undertaking, an amount equal to the aggregate of:

- (x) the aggregate outstanding face amount of the relevant Manafae Series Certificates; and
- (y) an amount equal to the product of (x) above, the Profit Rate and the Day Count Fraction (for the purposes of which the Day Count Fraction will be applied to the period from and including the Periodic Distribution Date preceding the date of the Manafae Series Exercise Notice on which the Periodic Distribution Amount due on the Manafae Series Certificates was paid in full to but excluding the date on which all amounts required to redeem the Manafae Series Certificates in full are actually transferred to the Manafae Series Transaction Account in full),

less such amount as is standing to the credit of the Manafae Series Transaction Account and available for the purposes of making a payment to Manafae Series Certificateholders on the date on which the Non-Payment Amount is to be credited to the Manafae Series Transaction Account in accordance with the Manafae Series Service Agency Agreement.

**"Relevant Amount"** means, in relation to each Manafae Series, in relation to an exercise of the Trustee's right pursuant to clause 3.1.1 of the Manafae Series Purchase Undertaking, an amount equal to the aggregate of:

- (x) the aggregate outstanding face amount of the relevant Manafae Series Certificates; and
- (y) an amount equal to the product of (x) above, the Profit Rate and the Day Count Fraction (for the purposes of which the Day Count Fraction will be applied to the period from and including the Periodic Distribution Date preceding the date of the Manafae Series Exercise Notice on which the Periodic Distribution Amount due on the Manafae Series Certificates was paid in full to but excluding the date on which all amounts required to redeem the Manafae Series Certificates in full are actually transferred to the Manafae Series Transaction Account in full),

less such amount as is standing to the credit of the Manafae Series Transaction Account and available for the purposes of making a payment to Manafae Series Certificateholders on the Dissolution Event Redemption Date.

The Manafae Series Service Agent and the Trustee have agreed in the Manafae Series Service Agency Agreement that the Additional Throughput Services and, if applicable, the Further Throughput Services of any Manafae Series shall not be permitted to be sold by the Manafae Series Service Agent and shall only be available for sale by the Trustee to the Company pursuant to, and in accordance with, the Manafae Series Purchase Undertaking. Following redemption of the Manafae Series in whole but not in part on the Scheduled Dissolution Date (or, if earlier, any Change of Control Full Put Date, Tax Redemption Date,

Optional Dissolution Call Date, Optional Dissolution Put Date, Dissolution Event Redemption Date or any date on which all of the Certificates of that Manafae Series are cancelled in accordance with the Manafae Series Conditions), in each case as provided in the Manafae Series Conditions, to the extent that the Additional Throughput Services relating to that Manafae Series have not been sold to the Company pursuant to a Manafae Series Purchase Undertaking Sale Agreement (as defined herein) such Additional Throughput Services shall be immediately transferred to the Manafae Series Service Agent by the Trustee (without the need for any further formality) as a performance incentive in kind.

All payments by the Manafae Series Service Agent to the Trustee shall be made net of Taxes (as defined in the Manafae Series Service Agency Agreement), where the withholding or deduction of the Taxes is required by law. In such event, and/or if additional amounts are payable by the Trustee in respect of the Certificates in accordance with Manafae Series Condition 12 (*Taxation*), the Manafae Series Service Agent will pay such Taxes and/or amounts equal to such additional amounts by payment to the Manafae Series Transaction Account in the Specified Currency by wire transfer for same day value so that the full amount which otherwise would have been due and payable to the Trustee, and/or which otherwise would have been due and payable under the Manafae Series Certificates, is received by the Trustee.

### ***Manafae Series Sale Undertaking***

The Trustee will enter into an amended and restated Manafae Series Sale Undertaking on 2 September 2019 in favour of the Company, which will be governed by English law.

Under the terms of the Manafae Series Sale Undertaking, in relation to each Manafae Series, the Trustee irrevocably undertakes to sell or transfer (as applicable) to the Company:

- (i) the Outstanding Throughput Services and, if applicable, the Further Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Tax Redemption Date at the relevant Manafae Series Exercise Price;
- (ii) the Optional Dissolution (Call Option) Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Optional Dissolution Partial Call Date (where the Optional Dissolution Right (Call Option) has been exercised in respect of some (but not all) of the Certificates of the relevant Manafae Series) or, as applicable, the relevant Optional Dissolution Call Date (where the Optional Dissolution Right (Call Option) has been exercised in respect of all of the Certificates of the relevant Manafae Series), in each case, at the Optional Dissolution (Call Option) Exercise Price;
- (iii) the Optional Dissolution (Make Whole Call Option) Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Optional Dissolution Partial Call Date (where the Make Whole Dissolution Right (Call Option) has been exercised in respect of some (but not all) of the Certificates of the relevant Manafae Series) or, as applicable, the relevant Optional Dissolution Call Date (where the Make Whole Dissolution Right (Call Option) has been exercised in respect of all of the Certificates of the relevant Manafae Series), in each case, at the Optional Dissolution (Make Whole Call Option) Exercise Price; and
- (iv) the Cancellation Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant cancellation date, in consideration for cancellation of any Certificates of a Manafae Series that have been purchased by the Company or any of its Subsidiaries (the "**Cancellation Certificates**"),

in each case, by the Company delivering a Manafae Series Exercise Notice to the Trustee in accordance with the terms of the Manafae Series Sale Undertaking. Following payment of the relevant amounts in accordance with the terms of the Manafae Series Sale Undertaking (in respect of paragraphs (i) to (iii) (inclusive) above), the Company and the Trustee shall enter into a sale agreement in the form scheduled to the Manafae Series Sale Undertaking (a "**Manafae Series Sale Undertaking Sale Agreement**"). The transfer of the Cancellation Throughput Services (in respect of paragraph (iv) above) (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) to the Company shall occur by the entry into of a transfer agreement between the Company and the Trustee.

For the purposes of this section:

**"Cancellation Throughput Services"** means, in relation to each Manafae Series, such number of Outstanding Throughput Services and, if applicable to a Manafae Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing: (a) the aggregate face amount of the relevant Cancellation Certificates plus all due but unpaid Periodic Distribution Amounts relating to such Cancellation Certificates, by (b) the Minimum Sale Price (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service).

**"Manafae Series Exercise Price"** means, in relation to each Manafae Series, an amount in the Specified Currency of that Manafae Series equal to the sum of: (a) the aggregate outstanding face amount of the Certificates of that Manafae Series; and (b) all due but unpaid Periodic Distribution Amounts relating to such Manafae Series Certificates.

**"Optional Dissolution (Call Option) Exercise Price"** means, in relation to each Manafae Series and the exercise of an Optional Dissolution Right (Call Option) under that Manafae Series, an amount in the Specified Currency equal to the aggregate outstanding face amount of the Manafae Series Certificates being redeemed pursuant to the Optional Dissolution Right (Call Option) plus all due but unpaid Periodic Distribution Amounts relating to such Manafae Series Certificates.

**"Optional Dissolution (Make Whole Call Option) Exercise Price"** means, in relation to each Manafae Series and the exercise of a Make Whole Dissolution Right (Call Option) under that Manafae Series, an amount in the Specified Currency equal to the Make Whole Amount.

**"Optional Dissolution (Call Option) Throughput Services"** means, in relation to each Manafae Series and the exercise of an Optional Dissolution Right (Call Option) under that Manafae Series, such number of Outstanding Throughput Services and, if applicable to a Manafae Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Call Option) Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service), as specified in the relevant Manafae Series Exercise Notice.

**"Optional Dissolution (Make Whole Call Option) Throughput Services"** means, in relation to each Manafae Series and the exercise of an Optional Dissolution Right (Make Whole Call Option) under that Manafae Series, such number of Outstanding Throughput Services and, if applicable to a Manafae Series, Further Throughput Services (in each case measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Make Whole Call Option) Exercise Price by the Minimum Sale Price for that Manafae Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, to the nearest Further Throughput Service), as specified in the relevant Manafae Series Exercise Notice.

#### ***Manafae Series Purchase Undertaking***

The Company will enter into an amended and restated Manafae Series Purchase Undertaking on 2 September 2019 in favour of the Trustee and the Delegate, which will be governed by English law.

Under the terms of the Manafae Series Purchase Undertaking, in relation to each Manafae Series, the Company irrevocably undertakes to purchase from the Trustee:

- (i) all of the Outstanding Throughput Services, the Additional Throughput Services and, if applicable, the Further Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the Dissolution Event Redemption Date in respect of the relevant Manafae Series, in each case, at the relevant Manafae Series Exercise Price;
- (ii) the relevant Surplus Allotted Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on any Distribution Determination Date, at the relevant Sale Exercise Price;
- (iii) the relevant Change of Control Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Change of Control Put Option Date (where the Change of Control Put Option has been exercised

in respect of some (but not all) of the Certificates of the relevant Manafae Series) or, as applicable, the relevant Change of Control Full Put Date (where the Change of Control Put Option has been exercised in respect of all of the Certificates of the relevant Manafae Series), in each case at the relevant Change of Control Exercise Price;

- (iv) the relevant Optional Dissolution (Put Option) Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the Optional Dissolution Partial Put Date (where the Optional Dissolution Right (Put Option) has been exercised in respect of some (but not all) of the Certificates of the relevant Manafae Series) or, as applicable, the Optional Dissolution Put Date (where the Optional Dissolution Right (Put Option) has been exercised in respect of all of the Certificates of the relevant Manafae Series), in each case, at the relevant Optional Dissolution (Put Option) Exercise Price;
- (v) the Further Throughput Services (if any) (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Scheduled Dissolution Date at the relevant Further Exercise Price; and
- (vi) the Additional Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Non-Payment Redemption Date (as defined in the Manafae Series Purchase Undertaking) at the relevant Non-Payment Exercise Price,

in each case, by the Trustee delivering a Manafae Series Exercise Notice to the Company in accordance with the terms of the Manafae Series Purchase Undertaking. Following payment of the relevant amounts in accordance with the terms of the Manafae Series Purchase Undertaking, the Company and the Trustee shall enter into a sale agreement in the form scheduled to the Manafae Series Purchase Undertaking (a "**Manafae Series Purchase Undertaking Sale Agreement**").

All payments by the Company under the Manafae Series Purchase Undertaking and any Manafae Series Purchase Undertaking Sale Agreement must be made free and clear of, and without any deduction or withholding for, any Taxes (as defined in the Manafae Series Purchase Undertaking) unless required by law and without set-off or counterclaim of any kind and, if there is any such deduction or withholding, the Company undertakes that it shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made and accordingly the Company undertakes to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed thereunder.

For the purposes of this section:

**"Change of Control Exercise Price"** means, in relation to each Manafae Series and the exercise of a Change of Control Put Option under that Manafae Series, an amount in the Specified Currency equal to the aggregate outstanding face amount of the Manafae Series Certificates being redeemed pursuant to the Change of Control Put Option plus all due but unpaid Periodic Distribution Amounts relating to such Manafae Series Certificates.

**"Change of Control Throughput Services"** means, in relation to each Manafae Series and the exercise of a Change of Control Put Option under that Manafae Series, such number of Outstanding Throughput Services and, if applicable to a Manafae Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Change of Control Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service), as specified in the relevant Manafae Series Exercise Notice.

**"Further Exercise Price"** means, in relation to each Manafae Series and any Further Throughput Services thereunder, an amount in the Specified Currency of that Manafae Series equal to the product of: (a) the relevant Further Throughput Services; and (b) the Minimum Sale Price for that Manafae Series.

**"Manafae Series Exercise Price"** means, in relation to each Manafae Series, an amount in the Specified Currency of that Manafae Series equal to the product of: (a) the aggregate of the Outstanding Throughput Services, Additional Throughput Services and, if applicable to a Manafae Series, Further Throughput



Services (in each case measured in TEUs) (determined as at the Dissolution Event Redemption Date); and (b) the Minimum Sale Price for that Manafae Series.

**"Non-Payment Exercise Price"** means, in relation to each Manafae Series, an amount in the Specified Currency of that Manafae Series equal to the product of: (a) the relevant Additional Throughput Services (measured in TEUs); and (b) the Minimum Sale Price for that Manafae Series.

**"Optional Dissolution (Put Option) Exercise Price"** means, in relation to each Manafae Series and the exercise of an Optional Dissolution Right (Put Option) under that Manafae Series, an amount in the Specified Currency equal to the aggregate outstanding face amount of the Manafae Series Certificates being redeemed pursuant to the Optional Dissolution Right (Put Option) plus all due but unpaid Periodic Distribution Amounts relating to such Manafae Series Certificates.

**"Optional Dissolution (Put Option) Throughput Services"** means, in relation to each Manafae Series and the exercise of an Optional Dissolution Right (Put Option) under that Manafae Series, such number of Outstanding Throughput Services and, if applicable to a Manafae Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Put Option) Exercise Price by the Minimum Sale Price for that Manafae Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service), as specified in the relevant Manafae Series Exercise Notice.

**"Sale Exercise Price"** means, in relation to each Manafae Series and any Surplus Allotted Throughput Services thereunder, an amount in the Specified Currency of that Manafae Series equal to the product of: (a) the relevant Surplus Allotted Throughput Services; and (b) the Minimum Sale Price for that Manafae Series.

#### ***Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust***

See "*Summary of Principal Transaction Documents – Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust*".

#### ***Agency Agreement***

See "*Summary of Principal Transaction Documents – Agency Agreement*".

#### **Wakala Series Transaction Documents**

##### ***Wakala Series Master Purchase Agreement, as supplemented by the relevant Wakala Series Supplemental Purchase Agreement***

The Wakala Series Master Purchase Agreement will be entered into on 2 September 2019 between the Trustee (as purchaser) and the Company (as seller, in such capacity, the "**Seller**"). The Trustee and the Seller will subsequently enter into a Wakala Series Supplemental Purchase Agreement on the Issue Date of each Wakala Tranche (together, the "**Wakala Series Purchase Agreement**"). The Wakala Series Master Purchase Agreement and each Wakala Series Supplemental Purchase Agreement will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE.

Pursuant to the relevant Wakala Series Purchase Agreement, on the Issue Date of each Wakala Tranche, the Seller will sell, transfer and assign to the Purchaser, and the Purchaser will purchase from the Seller all of the Seller's rights, title, interests, benefits and entitlements in, to and under (in the case of the first Wakala Tranche of the relevant Wakala Series) the relevant Initial Asset Portfolio and (in the case of the each subsequent Wakala Tranche of the relevant Wakala Series) the relevant Additional Assets.

##### ***Wakala Series Service Agency Agreement***

The Wakala Series Service Agency Agreement will be entered into on 2 September 2019 between the Trustee and the Company (as service agent, in such capacity, the "**Wakala Series Service Agent**" and as liquidity provider, in such capacity, the "**Liquidity Provider**") and will be governed by English law.

Under the terms of the Wakala Series Service Agency Agreement, the Trustee will, in relation to each Wakala Series, appoint the Company as its Wakala Series Service Agent to provide certain services (the "**Wakala Series Services**") from the Issue Date of that Wakala Series to the date on which such Wakala

Series Certificates have been redeemed in full (the "**Wakala Ownership Period**"). In particular, in respect of each Wakala Series, the Wakala Series Service Agent will perform, amongst other things, the following services (the "**Wakala Series Services**") as agent of the Trustee, during the Wakala Ownership Period:

- (i) it will manage the Wakala Portfolio in accordance with the wakala series services plan (the "**Wakala Series Services Plan**") (the form of which is set out in the schedule to the Service Agency Agreement and will include an expected return to be generated by the Wakala Portfolio on a periodic basis (the "**Expected Wakala Portfolio Return**")), which shall be completed at the time of issue of the first Wakala Tranche of the relevant Wakala Series upon receipt from the Trustee of the relevant Wakala Series Supplemental Purchase Agreement;
- (ii) if the Trustee issues additional Certificates under Wakala Series Condition 18 (*Further Issues*), it shall as soon as practicable after such issuance amend the Wakala Services Plan for that Wakala Series to take into account the issuance of such additional Certificates;
- (iii) it shall ensure that, on the Issue Date of each Wakala Tranche of a Wakala Series, at least 51 per cent. of the value of the Wakala Portfolio on such Issue Date is derived from Wakala Assets;
- (iv) it shall use its reasonable endeavours to procure that, at all times after the Issue Date of the first Wakala Tranche of a Wakala Series, at least 51 per cent. of the value of the Wakala Portfolio is derived from Wakala Assets (the "**Minimum Tangible Asset Requirement**");
- (v) it shall use its reasonable endeavours to manage the Wakala Portfolio to ensure that the value of the Wakala Portfolio is, at all times, not less than the aggregate face amount of the Wakala Series Certificates for the relevant Wakala Series then outstanding;
- (vi) it shall use reasonable endeavours to ensure that the Wakala Portfolio Revenues are at least equal to the Expected Wakala Portfolio Return;
- (vii) it shall carry out all major maintenance and structural repair obligations in respect of the relevant Wakala Assets on account and on behalf of the Trustee;
- (viii) in relation to the Real Estate Assets forming part of the Wakala Portfolio of the relevant Wakala Series:
  - (a) subject always to paragraph (c) below, the Wakala Series Service Agent will (on behalf of the Trustee): (1) ensure that such Real Estate Assets are insured, and shall effect such insurances in respect of such Real Estate Assets (the "**Insurances**") including against a Total Loss Event. The Wakala Series Service Agent undertakes to ensure that the insured amount relating to a Total Loss Event, will, at all times, be at least equal to the Full Reinstatement Value; (2) promptly make a claim in respect of each loss relating to such Real Estate Assets in accordance with the terms of the Insurances; and (3) ensure that in the event of a Total Loss Event occurring, unless such Real Estate Assets have been replaced as set out below, all the proceeds of the Insurances against a Total Loss Event are in an amount equal to the Full Reinstatement Value and are credited in the Specified Currency to the Wakala Series Collection Account by no later than the 30th day after the occurrence of the Total Loss Event;
  - (b) by no later than the 29th day after the occurrence of a Total Loss Event, the Wakala Series Service Agent may procure the identification of available replacement Real Estate Assets to which DP World (or any of its Subsidiaries) has full legal title free and clear of any adverse claim and the aggregate value of which is not less than the aggregate value of the replaced Real Estate Assets at the relevant time (the "**Replacement Real Estate Assets**"). Immediately following such identification, the Wakala Series Service Agent shall notify the Trustee of the same and the Trustee may, pursuant to and on the terms of a separate purchase agreement substantially in the form, *mutatis mutandis*, of a Wakala Series Supplemental Purchase Agreement, purchase all of DP World's (or the relevant Subsidiary's) rights, title, interests, benefits and entitlements in, to and under such Replacement Real Estate Assets from DP World (or the relevant Subsidiary) at a purchase price to be paid by the Wakala Series Service Agent on behalf of the Trustee using the

proceeds of the Insurances (or the assignment of the rights to such proceeds) to or to the order of DP World;

- (c) wherever the Wakala Series Service Agent procures Insurances in accordance with the terms of the Wakala Series Service Agency Agreement (including the renewal of any Insurances in existence on the Issue Date) it shall use its reasonable endeavours to obtain such Insurances on a *takaful* basis if such *takaful* insurance is available on commercially viable terms. Any breach of this paragraph will not constitute a DP World Event; and
- (d) it shall use its reasonable endeavours to monitor whether the provisions relating to the Wakala Series Service Agent's obligations to transfer any amounts from the Wakala Series Collection Account and/or pay the Total Loss Shortfall Amount, in each case, to the Transaction Account as described below are applicable during the Wakala Ownership Period in relation to the relevant Wakala Series; and

- (ix) it shall carry out any incidental matters relating to any of the above.

If, following the occurrence of a Total Loss Event and provided that the Real Estate Assets have not been replaced as set out above, the Wakala Series Service Agent fails to comply with its obligations relating to insurance as set out in paragraph (viii)(a) above, and as a result of such breach the amount (if any) credited to the Wakala Series Collection Account pursuant to paragraph (viii)(a)(3) above is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount credited to the Wakala Series Collection Account being the "**Total Loss Shortfall Amount**"), then the Wakala Series Service Agent will: (x) transfer the amounts (if any) credited to the Wakala Series Collection Account in accordance with paragraph (viii)(a)(3) above; and (y) (unless it proves beyond any doubt that any shortfall in the insurance proceeds is neither attributable to its negligence nor its failing to comply with the terms of the Wakala Series Service Agency Agreement relating to insurance) irrevocably and unconditionally undertake to pay the Total Loss Shortfall Amount, in each case, directly to the Transaction Account (in same day, freely transferable, cleared funds) by no later than close of business in London on the 31st day after the Total Loss Event has occurred. Subject to transferring such amounts (if any) credited to the Wakala Series Collection Account in accordance with paragraph (viii)(a)(3) above and/or paying such Total Loss Shortfall Amount in accordance with this paragraph, there will be no further claim against the Wakala Series Service Agent for failing to comply with its insurance obligations.

For this purpose:

"**Full Reinstatement Value**" means, in relation to each Wakala Series, an amount equal to the aggregate of: (A) the aggregate face amount of the Wakala Series Certificates of such Wakala Series then outstanding; plus (B) an amount equal to the Periodic Distribution Amounts relating to such Wakala Series 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 occurred and ending on the 31st day after the occurrence of the Total Loss Event; plus (C) to the extent not previously satisfied in accordance with the Wakala Series Service Agency Agreement, an amount equal to the sum of any outstanding amounts repayable in respect of any Wakala Series Liquidity Facility (as defined below) and any Wakala Series Service Agency Liabilities Amounts; less (D) the aggregate amounts of Deferred Payment Price then outstanding, if any; and

"**Wakala Series Service Agency Liabilities Amount**" means, in relation to each Wakala Series, the amount of any claims, losses, costs and expenses properly incurred or suffered by the Wakala Series Service Agent or other payments made by the Wakala Series Service Agent on behalf of the Trustee, in each case in providing the Wakala Series Services during a Wakala Distribution Period, but does not include any amount due to the Wakala Series Service Agent (or any third party provider of a Wakala Series Liquidity Facility) under the Wakala Series Service Agency Agreement in respect of any Wakala Series Liquidity Facility.

The Wakala Series Service Agent shall provide the Wakala Series Services in accordance with all applicable laws and regulations and with the degree of skill and care that it would exercise in respect of its own assets and it shall service the Wakala Portfolio relating to each Wakala Series in accordance with *Shari'a* principles.

The Wakala Series Service Agent shall be entitled to receive a fee for acting as service agent which will comprise a fixed fee of U.S.\$100 (the receipt and adequacy of which will be acknowledged by the Wakala

Series Service Agent under the Wakala Series Service Agency Agreement) and may also receive incentive payments as described below.

#### *Liquidity Provider*

If, following payment of amounts standing to the credit of the Wakala Series Reserve Account as described below, a shortfall (a "**Wakala Series Shortfall**") remains on any Wakala Distribution Determination Date, the Liquidity Provider may either: (i) provide *Shari'a* compliant funding itself, or (ii) procure *Shari'a* compliant funding from a third party, in each case, to the extent necessary to ensure that the Trustee receives, on each Wakala Distribution Determination Date, the Required Amount payable by it in accordance with the Wakala Series Conditions of the relevant Wakala Series on the immediately following Periodic Distribution Date, by payment of the same into the Transaction Account and on terms that such funding is repayable: (a) from Wakala Portfolio Revenues; or (ii) on the relevant Dissolution Date (such funding in relation to a Wakala Series, a "**Wakala Series Liquidity Facility**").

#### *Accounts*

In relation to each Wakala Series, the Wakala Series Service Agent will maintain two ledger accounts (such accounts being the "**Wakala Series Collection Account**" and the "**Wakala Series Reserve Account**") in its books (each of which shall be denominated in the Specified Currency). All Wakala Portfolio Revenues in relation to each Wakala Series will be recorded in the Wakala Series Collection Account. Amounts standing to the credit of the Wakala Series Collection Account relating to each Wakala Series will be applied by the Wakala Series Service Agent on each Wakala Distribution Determination Date in the following order of priority: (i) *first*, in repayment to the Liquidity Provider of any amounts advanced by it to the Trustee by way of a Wakala Series Liquidity Facility; (ii) *second*, in payment of any due but unpaid Wakala Series Service Agency Liabilities Amounts for the Wakala Distribution Period ending immediately before the immediately following "**Wakala Distribution Date**" (being the date which corresponds with the relevant Periodic Distribution Date of the relevant Wakala Series) and (if applicable) any Wakala Series Service Agency Liabilities Amounts for any previous Wakala Distribution Period that remain unpaid; (iii) *third*, the Wakala Series Service Agent will pay into the relevant Transaction Account an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Wakala Series Collection Account; and (iv) *fourth*, any amounts still standing to the credit of the Wakala Series Collection Account immediately following payment of all of the above amounts shall be debited from the Wakala Series Collection Account and credited to the Wakala Series Reserve Account.

The Wakala Series Service Agent will be entitled to deduct amounts standing to the credit of the Wakala Series Reserve Account at any time and use such amounts for its own account, provided that such amounts shall be repaid by it if so required to fund a Wakala Series Shortfall or upon the occurrence of a Dissolution Event or, if applicable, a Total Loss Event.

The Wakala Series Service Agent will agree in the Wakala Series Service Agency Agreement that all payments by it under the Wakala Series Service Agency Agreement must be made in the Specified Currency and without any withholding or deduction for, or on account of, any Taxes unless required by law and without set-off or counterclaim of any kind. If there is any such withholding or deduction, the Wakala Series Service Agent will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The Wakala Series Service Agent will undertake in the Service Agency Agreement that any payment obligations of the Wakala Series Service Agent under the Wakala Series Service Agency Agreement will be direct, unconditional, unsubordinated and (subject to the provisions of Wakala Series Condition 5 (*Negative Pledge*)) unsecured obligations of the Wakala Series Service Agent and shall at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Wakala Series Service Agent, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

#### ***Wakala Series Sale Undertaking***

The Trustee will enter into a Wakala Series Sale Undertaking on 2 September 2019 in favour of the Company, which will be governed by English law.

Under the terms of the Wakala Series Sale Undertaking, in relation to each Wakala Series, provided that no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred such Real Estate Assets have been replaced in accordance with the Wakala Series Service Agency Agreement), the Trustee irrevocably grants to the Company each of the following rights:

- (i) provided that a Tax Event has occurred, to require the Trustee to sell, assign, transfer and convey to the Company on the Tax Redemption Date specified in the Wakala Series Exercise Notice all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to the relevant Wakala Series at the Wakala Series Exercise Price specified in the relevant Wakala Series Exercise Notice;
- (ii) provided that the Optional Dissolution Right (Call Option) is specified as applicable in each applicable Final Terms (or Pricing Supplement, as applicable) (and the Optional Dissolution Right (Put Option) has not been specified as applicable in any applicable Final Terms (or Pricing Supplement, as applicable)), to require the Trustee to sell, assign, transfer and convey to the Company on the Optional Dissolution Call Date or the Optional Dissolution Partial Call Date (as applicable) all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the applicable portion of the Wakala Assets at the Optional Dissolution (Call Option) Exercise Price specified in the relevant Wakala Series Exercise Notice;
- (iii) provided that the Make Whole Dissolution Right (Call Option) is specified as applicable in each applicable Final Terms (or Pricing Supplement, as applicable), to require the Trustee to sell, assign, transfer and convey to the Company on the Optional Dissolution Call Date or the Optional Dissolution Partial Call Date (as applicable) all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the applicable portion of the Wakala Assets at the Optional Dissolution (Make Whole Call Option) Exercise Price specified in the relevant Wakala Series Exercise Notice;
- (iv) following delivery of the cancelled Wakala Series Certificates to the Registrar for cancellation pursuant to Wakala Series Condition 14 (*Purchase and Cancellation of Certificates*), to require the Trustee to assign, transfer and convey to the Company on the cancellation date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the cancellation Wakala Assets subject to certain conditions set out in the Wakala Series Sale Undertaking;
- (v) following payment in full of the Full Reinstatement Value in accordance with the Wakala Series Service Agency Agreement, to require the Trustee to assign, transfer and convey to the Company on the Total Loss Dissolution Date, all of the Trustee's rights, title, interests, benefits and entitlements in, to and under, the Wakala Assets (other than the relevant Real Estate Assets in existence immediately prior to the Total Loss Event); and
- (vi) to require the Trustee to assign, transfer and convey to the Company (or any of its Subsidiaries) on the substitution date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under, the substituted Wakala Assets against the assignment, transfer and conveyance to the Trustee of all of the Company's (or the relevant Subsidiary's) rights, title, interests, benefits and entitlements in, to and under, the new Wakala Assets subject to certain conditions set out in the Wakala Series Sale Undertaking,

in each case, on an "as is" basis but free and clear of any adverse claim (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Wakala Series Sale Undertaking.

#### ***Wakala Series Purchase Undertaking***

The Company will enter into a Wakala Series Purchase Undertaking on 2 September 2019 in favour of the Trustee and the Delegate, which will be governed by English law.

Under the terms of the Wakala Series Purchase Undertaking, in relation to each Wakala Series, provided that no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred such Real Estate Assets have been replaced in accordance with the Wakala Series Service Agency Agreement), the

Company hereby irrevocably grants to the Trustee and the Delegate (in each case, on behalf of itself and the Wakala Series Certificateholders) each of the following rights:

- (i) provided that a Dissolution Event has occurred and is continuing, to require the Company to purchase on the Dissolution Event Redemption Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Wakala Series at the Wakala Series Exercise Price specified in the relevant Wakala Series Exercise Notice;
- (ii) to require the Company to purchase, on the Scheduled Dissolution Date, all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Wakala Series at the Wakala Series Exercise Price specified in the relevant Wakala Series Exercise Notice;
- (iii) provided that: (a) Optional Dissolution Right (Put Option) is specified as applicable in each applicable Final Terms (or Pricing Supplement, as applicable) (and the Optional Dissolution Right (Call Option) has not been specified as applicable in any applicable Final Terms (or Pricing Supplement, as applicable)); and (b) one or more Wakala Series Certificateholders have exercised the Optional Dissolution Right (Put Option) in accordance with the Wakala Series Conditions, to require the Company to purchase on the Optional Dissolution Put Date or the Optional Dissolution Partial Put Date, as the case may be, all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the applicable portion of the Wakala Assets at the Optional Dissolution (Put Option) Exercise Price specified in the relevant Wakala Series Exercise Notice;
- (iv) provided that the Trustee has received the relevant impaired asset instruction or otherwise becomes aware of the occurrence of an Impaired Wakala Asset Event, to require the Company on the relevant exercise date to accept the transfer, assignment and conveyance from the Trustee of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the relevant impaired asset(s) against the assignment, transfer and conveyance to the Trustee of all of the Company's rights, title, interests, benefits and entitlements in, to and under certain new Wakala Assets subject to certain conditions set out in the Wakala Series Purchase Undertaking; and
- (v) provided that: (a) the Change of Control Put Option is specified as applicable in the applicable Final Terms (or Pricing Supplement, as applicable); and (b) one or more Wakala Series Certificateholders have exercised the Change of Control Put Option in accordance with the Wakala Series Conditions, to require the Company to purchase on the Change of Control Put Option Date or the Change of Control Full Put Date, as the case may be, all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the applicable portion of the Wakala Assets at the Change of Control Put Option Exercise Price specified in the relevant Wakala Series Exercise Notice,

in each case, on an "as is" basis but free and clear of any adverse claim (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Wakala Series Purchase Undertaking.

For this purpose, "**Impaired Wakala Asset Event**", in respect of any Wakala Asset, shall occur if such Wakala Asset ceases to be an Eligible Asset (as defined in the Wakala Series Master Purchase Agreement).

The Company will covenant and undertake in the Wakala Series Purchase Undertaking that if the relevant Wakala Series Exercise Price, Wakala Series Optional Dissolution (Put Option) Exercise Price or Wakala Series Change of Control Put Option Exercise Price, as the case may be, is not paid in accordance with the Wakala Series Purchase Undertaking for any reason whatsoever, the Company shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the outstanding Wakala Series Certificates, the Wakala Series Optional Dissolution (Put Option) Certificates or the Wakala Series Change of Control Put Option Certificates, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Wakala Series Exercise Price, the Wakala Series Optional Dissolution (Put Option) Exercise Price or Wakala Series Change of Control Put Option Exercise Price, as the case may be.

The Company will agree in the Wakala Series Purchase Undertaking that all payments by it under the Wakala Series Purchase Undertaking must be made in the Specified Currency and without any withholding

or deduction for, or on account of, any Taxes unless required by law and without set-off or counterclaim of any kind. If there is any such withholding or deduction, the Company will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The Company will undertake in the Wakala Series Purchase Undertaking that any payment obligations of the Company under the Wakala Series Purchase Undertaking will be direct, unconditional, unsubordinated and (subject to the provisions of Wakala Series Condition 5 (*Negative Pledge*)) unsecured obligations of the Company and shall at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

#### ***Wakala Series Master Murabaha Agreement***

The Wakala Series Master Murabaha Agreement will be entered into on 2 September 2019 between the Trustee (in its capacity as seller), the Company (in its capacity as buyer, the "**Buyer**") and the Delegate and will be governed by English law.

Pursuant to the Wakala Series Master Murabaha Agreement, and in connection with each relevant Wakala Tranche, the Trustee may enter into a Commodity Murabaha Investment(s) with the Buyer using a portion of the issue proceeds (being no more than 49 per cent. of the aggregate face amount of that Wakala Tranche) of the relevant Tranche, as specified in the applicable Final Terms (or Pricing Supplement, as applicable). In accordance with the Wakala Series Master Murabaha Agreement, on receipt of a duly completed Notice of Request to Purchase from the Buyer, the Trustee (acting through the Commodity Agent) may purchase the relevant commodities on the relevant Issue Date from a commodity supplier on a spot basis at the relevant Commodity Purchase Price.

Upon completion of the purchase of the commodities by the Trustee and the Trustee gaining title thereto and (actual or constructive) possession thereof, the Trustee may deliver to the Buyer a duly completed Offer Notice by no later than 1:00 p.m. London time (or such other time as may be agreed in writing by the Buyer and the Trustee) on the relevant Issue Date.

Provided that the Buyer has delivered a duly completed Notice of Request to Purchase in accordance with the terms of the Wakala Series Master Murabaha Agreement, the Buyer will irrevocably and unconditionally undertake to accept the terms of, countersign and deliver to the Trustee any Offer Notice delivered to it in accordance with the Wakala Series Master Murabaha Agreement and (as a result of the Trustee having acted on the request of the Buyer set out in the Notice of Request to Purchase) purchase the relevant commodities acquired by the Trustee for the relevant Deferred Payment Price, in each case no later than 2:00 p.m. London time (or such other time as may be agreed between the Buyer and the Trustee) on the relevant Issue Date.

As soon as the Buyer has accepted the Trustee's offer by countersigning the relevant Offer Notice, a Murabaha Contract shall be created between the Trustee and the Buyer upon the terms of the Offer Notice and incorporating the terms and conditions set out in the Wakala Series Master Murabaha Agreement, the Trustee shall sell and the Buyer shall buy the relevant Commodities and ownership of and all risks in and to the relevant Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

The Buyer will agree in the Wakala Series Master Murabaha Agreement that all payments by it under the Wakala Series Master Murabaha Agreement must be made in the Specified Currency and without any withholding or deduction for, or on account of, any Taxes unless required by law and without set-off or counterclaim of any kind. If there is any such withholding or deduction, the Buyer will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The Buyer will undertake in the Wakala Series Master Murabaha Agreement that any payment obligations of the Buyer under the Wakala Series Master Murabaha Agreement will be direct, unconditional, unsubordinated and (subject to the provisions of Wakala Series Condition 5 (*Negative Pledge*)) unsecured obligations of the Buyer and shall at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Buyer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### ***Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust***

See "*Summary of Principal Transaction Documents – Master Declaration of Trust*".

### ***Agency Agreement***

See "*Summary of Principal Transaction Documents – Agency Agreement*".

### **Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust**

An amended and restated Master Declaration of Trust will be entered into on 2 September 2019 between the Company, the Trustee and the Delegate and is governed by English law. A Supplemental Declaration of Trust between the same parties shall be entered into on the Issue Date of each Tranche of Certificates and shall also be governed by English law.

The relevant Trust Assets in respect of a Series of Certificates shall comprise: (i) in respect of Manafae Series Certificates, the Manafae Series Trust Assets; and (ii) in respect of Wakala Series Certificates, the Wakala Series Trust Assets.

If and to the extent the Trustee has exercised its rights under Condition 18 (*Further Issues*) to issue additional Certificates in respect of a Series, on the date of issue of such additional Certificates, the Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Certificates and the holders of such additional Certificates so issued, declaring that: (a) in the case of a Manafae Series, the Tap Throughput Services (in respect of the issuance of the additional Manafae Series Certificates) and the Throughput Services comprising the Manafae Series Trust Assets immediately prior to the issuance of the additional Manafae Series Certificates (in respect of the relevant Manafae Series as in existence immediately prior to the issue of such additional Manafae Series Certificates); and (b) in the case of a Wakala Series, the Additional Assets transferred to the Trustee and the additional Commodity Murabaha Investment (in each case, in respect of the issuance of the additional Wakala Series Certificates) and the Wakala Portfolio immediately prior to the issuance of the additional Wakala Series Certificates (in respect of the relevant Wakala Series as in existence immediately prior to the issue of such additional Wakala Series Certificates), are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Certificates and the holders of such additional Certificates *pro rata* according to the face amount of Certificates held by each Certificateholder, in accordance with the Master Declaration of Trust. For the avoidance of doubt, Manafae Series Certificates will not be interchangeable or fungible with any Wakala Series Certificates and *vice versa*.

Pursuant to the relevant Declaration of Trust, the Trustee will, in relation to a Series of Certificates, *inter alia*:

- (a) hold the relevant Trust Assets on trust absolutely for the holders of the relevant Certificates *pro rata* according to the face amount of such Certificates of such Series held by each relevant Certificateholder, in accordance with the provisions of the relevant Declaration of Trust;
- (b) act as trustee in respect of the relevant Trust Assets, distribute the income from the relevant Trust Assets and perform its duties in accordance with the provisions of the relevant Declaration of Trust.

The Trustee has irrevocably and unconditionally appointed the Delegate to: (i) execute, deliver and perfect all documents; (ii) exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the relevant Declaration of Trust, that the Delegate may consider to be necessary or desirable in order, upon the occurrence of a Dissolution Event or a Potential Dissolution Event (subject to its being indemnified and/or secured and/or pre-funded to its satisfaction), to exercise all of the rights of the Trustee under the relevant Purchase Undertaking, the relevant Service Agency Agreement and any of the other relevant Transaction Documents; and (iii) make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the relevant Declaration of Trust (the foregoing being the "**Delegation**" of the "**Relevant Powers**"), provided that: (a) no obligations, duties, Liabilities or covenants of the Trustee pursuant to the relevant Declaration of Trust or any other relevant Transaction Document shall be imposed on the Delegate by virtue of this delegation; (b) in no circumstances will such Delegation result in the Delegate holding on trust the relevant Trust Assets; and (c) the Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion



to dissolve any of the trusts constituted by a relevant Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers. The appointment of such Delegate is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

In addition to the Delegation of the Relevant Powers, certain powers under the Master Declaration of Trust have been vested solely in the Delegate, including, *inter alia*, the power to determine the occurrence of a Dissolution Event or Potential Dissolution Event, the power to waive or authorise a breach of an obligation or determine that a Dissolution Event shall not be treated as such and the power to consent to certain types of amendments to the relevant Transaction Document.

The Company has undertaken to the Trustee and the Delegate in the Master Declaration of Trust that, if any amount payable by the Company to the Trustee or the Delegate pursuant to any Transaction Document is not recoverable from the Company for any reason whatsoever (including, without limitation, by reason of any Certificate, the relevant Declaration of Trust or any Transaction Document or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law, or any transfer of any Trust Assets being ineffective or unenforceable) and any of the Trustee, the Delegate or any Certificateholder suffers any Liability as a result of the Trustee's holding of the Trust Assets (which Liability is not recoverable under the relevant Transaction Documents), then (notwithstanding that the same may have been known to the Trustee or the Delegate) the Company will, as a sole, original and independent obligor, promptly upon demand by the Delegate pay such sum by way of a full indemnity in the manner and currency as is provided for in the relevant Transaction Document and indemnify each of the Delegate and the Trustee (with any amounts owing to the Delegate ranking in priority to those owing to the Trustee) or any Certificateholder against all properly incurred Liabilities to which it may be subject or which it may incur under or in respect of the Transaction Documents.

#### **Agency Agreement**

Pursuant to an amended and restated Agency Agreement entered into on 2 September 2019 between, amongst others, the Trustee, the Company and the Issuing and Paying Agent, provision will be made for, *inter alia*, payment of all sums due in respect of the Certificates.

#### **Shari'a Compliance**

Each Transaction Document provides that each of DP World Crescent Limited and DP World PLC 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:

- (i) it shall not claim that any of its obligations under 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*;
- (ii) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Transaction Documents to which it is a party; and
- (iii) none of its obligations under 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 Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

## 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**") in effect as at the date of this Base Prospectus. 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 Company, 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 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 is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "**banking organisation**" 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 and 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 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Certificates among Direct Participants on whose behalf it acts with respect to Certificates accepted into DTC's book-entry settlement system ("**DTC Certificates**") as described below and receives and transmits distributions of Dissolution Amounts and Periodic Distribution Amounts on DTC Certificates. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Certificates ("**Owners**") have accounts with respect to the DTC 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 Certificates through Direct Participants or Indirect Participants will not possess 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 Certificates.

Purchases of DTC Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Certificates on DTC's records. The ownership interest of each actual purchaser of each DTC 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 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 Certificates is discontinued.

To facilitate subsequent transfers, all DTC 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 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 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC 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 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 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 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Dissolution Amounts and Periodic Distribution Amounts on the DTC 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 in bearer form or registered in "street name", 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 Dissolution Amounts and Periodic Distribution 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 Certificates, DTC will exchange the DTC Certificates for definitive Certificates, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Restricted Global Certificate, 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 Certificates purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Certificates by causing the Direct Participant to transfer the Participant's interest in the DTC Certificates, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Certificates in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Certificates are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Certificates to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Certificates 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 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 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 Certificates to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Certificates, will be required to withdraw its 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 depository 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 Payment in Respect of DTC Certificates**

The Trustee may apply to DTC in order to have any Tranche of Certificates represented by a Global Certificate accepted in its book-entry settlement system. Upon the issue of any such Global Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global 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 Certificate will be limited to Direct Participants or Indirect Participants, including, in the case of any Unrestricted Global Certificate (as defined herein), the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Global 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 any amount in respect of a Global Certificate accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Certificate. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange 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 Certificate in the currency in which such payment was made and/or (where an election to receive payment in the Specified Currency has not been made) cause all or a portion of such payment to be converted into U.S. dollars and the proceeds of such conversions (net of all applicable costs of exchange) shall be credited to the applicable Participants' account(s).

For all foreign exchange ("**FX**") transactions, the Exchange Agent or the Issuing and Paying Agent, as the case may be, shall utilise Deutsche Bank AG or its affiliates (collectively "**DBAG**") to effect such conversion by entering into an FX transaction. The Exchange Agent or the Issuing and Paying Agent, as the case may be, (through DBAG), when entering into an FX transaction, will be acting in a principal capacity, and not as agent, fiduciary or broker, and may hold positions for its own account that are the same, similar, different or opposite to the positions of its customers. When the Exchange Agent or the Issuing and Paying Agent, as the case may be, seeks to execute an FX transaction to accomplish such conversion, the Exchange Agent or the Issuing and Paying Agent, as the case may be, is utilising DBAG as a global dealer in FX for a full range of FX products and, as a result, the rate obtained in connection with any requested foreign currency conversion may be impacted by DBAG executing FX transactions for its own account or with another customer. In addition, in order to source liquidity for any FX transaction relating to the purchase of U.S. dollars with the Specified Currency, DBAG may internally share economic terms relating to the relevant FX transaction with persons acting in a sales or trading capacity for DBAG or one of its agents. Conversions shall be effected in a commercially reasonable manner, similar to that which is effected by DBAG in comparable transactions as principal for other similarly-situated customers. In no event shall the Trustee, DP World, the Exchange Agent (or the Issuing and Paying Agent, as the case may be) or DBAG be liable to the Certificateholders or any other party for the conversion rate so obtained.

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 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 Issuing and Paying Agent, the Paying Agent, the Registrar or the Trustee. Payment of Dissolution Amounts and Periodic Distribution Amounts on Certificates to DTC is the responsibility of the Trustee.

### **Transfers of Certificates Represented by Global Certificates**

Transfers of any interests in Certificates represented by a Global 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 Certificates represented by a Global Certificate to such persons may depend upon the ability to exchange such Certificates for 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 Certificates represented by a Global Certificate accepted by DTC to pledge such Certificates to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Certificates may depend upon the ability to exchange such Certificates for Certificates in definitive form. The ability of any holder of Certificates represented by a Global Certificate accepted by DTC to resell, pledge or otherwise transfer such Certificates may be impaired if the proposed transferee of such Certificates is not eligible to hold such Certificates through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the 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 Euroclear or Clearstream, Luxembourg accountholders, on the other hand, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Issuing and Paying Agent, the Paying Agent and any custodian ("**Custodian**") with whom the relevant Global Certificates have been deposited.

On or after the Issue Date for any Series, transfers of Certificates of such Series between accountholders in Euroclear and Clearstream, Luxembourg and transfers of 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 Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Since there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the Registrars, the Issuing and Paying Agent, the 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, Euroclear and Clearstream, Luxembourg have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg. 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 Company, the Delegate, the Agents or any Dealer will be responsible for any performance by DTC, Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Certificates represented by Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## TAXATION

### General

The following is a general description of certain UAE, DIFC, Cayman Islands, United States and EU tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates, whether in those jurisdictions or elsewhere. It is not intended and does not constitute tax advice or legal opinion. Prospective purchasers of Certificates are advised to consult their own tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Certificates, including but not limited to, the consequences of receipt of payments under the Certificates and their disposal or redemption. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any changes in law that might take effect after such date.

### United Arab Emirates (excluding the Dubai International Financial Centre)

The following summary of the anticipated tax treatment in the UAE in relation to the payments on the Certificates is based on the taxation law and practice in force at the date of this Base Prospectus and does not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Certificates and the receipt of any payments with respect to such Certificates under the laws of the jurisdictions in which they may be liable to taxation.

There is currently in force in the Emirates of Abu Dhabi and Dubai legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree of 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE, Abu Dhabi or Dubai taxation in respect of payments made under the Transaction Documents. If any such withholding or deduction is required to be made in respect of payments due by the Company under any Transaction Document to which it is party, the Company has undertaken to gross-up the payments due by it accordingly. If any such withholding or deduction is required to be made in respect of payments due by the Trustee under the Certificates: (i) the Trustee has undertaken to gross-up the payment(s) accordingly (subject to certain limited exceptions); and (ii) the Company has undertaken to pay such additional amounts to the Trustee to enable it to discharge such obligation.

The Constitution of the UAE specifically reserves to the UAE federal government the right to raise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries.

### Dubai International Financial Centre

Pursuant to Article 14 of Law No. (9) of 2004 in respect of the DIFC (the "**DIFC Law**"), entities licensed, registered or otherwise authorised to carry on financial services in the DIFC and their employees shall be subject to a zero rate of tax for a period of 50 years from 13 September 2004. This zero rate of tax applies to income, corporation and capital gains tax. In addition, this zero rate of tax will also extend to repatriation of capital and to transfers of assets or profits or salaries to any party outside the DIFC. Article 14 of the DIFC Law also provides that it is possible to renew the 50 year period to a similar period upon issuance of a resolution by the Ruler of Dubai. As a result no payments by the Trustee under the Certificates or payments by the Company under any Transaction Document are subject to any tax in the DIFC, whether by withholding or otherwise.

### Cayman Islands

Under existing Cayman Islands laws payments on the Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding under Cayman Islands law will be required on the payment to any holder of the Certificates, nor will gains derived from the disposal of the

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 tax or gift tax.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. The Trustee has received, from the Governor-in-Cabinet of the Cayman Islands, pursuant to the Tax Concessions Law (2018 Revision), as amended, of the Cayman Islands, an undertaking dated 17 May 2016 that for a period of 20 years from the date of the grant of the undertaking no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which includes the Certificates) of the Trustee or by way of the withholding in whole or in part of any relevant payment (as defined in section 6(3) of the Tax Concessions Law (2018 Revision), as amended, of the Cayman Islands). No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. However, an instrument transferring title to such 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 the Trustee's authorised share capital. At current rates, this annual registration fee is approximately U.S.\$854. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

### **United States Federal Income Taxation**

The following summary discusses certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Certificates. Except as specifically noted below, this discussion applies only to:

- Certificates purchased on original issuance at their issue price (as defined below);
- Certificates held as capital assets;
- U.S. Holders (as defined below); and
- Certificates with an original maturity of 30 years or less.

This discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances or to U.S. Holders subject to special rules, such as:

- financial institutions;
- insurance companies;
- tax-exempt organisations;
- dealers in securities or currencies;
- persons holding Certificates as part of a hedging transaction, straddle, conversion transaction or other integrated transaction;
- U.S. Holders whose functional currency is not the U.S. dollar;
- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes; or
- former citizens and residents of the United States.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), administrative pronouncements, published rulings, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, all as at the date of this Base Prospectus and any of which may at any time be repealed, revised or subject to differing interpretation, possibly retroactively so as to result in U.S. federal income tax consequences different from those described below. Persons considering the purchase of the Certificates should consult the applicable Final Terms (or Pricing Supplement, as applicable) for any additional discussion regarding U.S. federal income taxation and should consult their tax advisers with

regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under other U.S. federal tax rules (such as the Medicare contribution tax and the alternative minimum tax), the laws of any state, local or non-U.S. taxing jurisdiction. No ruling will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

This summary does not discuss Certificates that by their terms may be retired for an amount less than their principal amount and Certificates subject to special rules. U.S. Holders should consult their tax advisers regarding the tax consequences with respect to the acquisition, ownership and disposition of Certificates.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Certificate that is for U.S. federal income tax purposes:

- an individual that is a citizen or resident of the United States;
- a corporation created or organised in or under the laws of the United States or of any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if: (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust; or (ii) the trust has validly elected to be treated as a United States person for U.S. federal income tax purposes.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Certificates, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of such entities or arrangements holding Certificates should consult with their tax advisers regarding the U.S. federal tax consequences of an investment in the Certificates.

#### ***Certain accrual method taxpayers***

Certain U.S. Holders that use an accrual method of accounting for tax purposes generally will be required to include certain amounts in income no later than the time such amounts are reflected on their financial statements, which may be earlier than would be the case under the rules described below. With respect to instruments that have original issue discount, the rule is effective for tax years beginning after 31 December 2018. U.S. Holders that use an accrual method of accounting should consult with their tax advisers regarding the potential applicability of this legislation to their particular situations.

#### ***Classification of the Certificates***

The Company and the Trustee intend to treat the Certificates as representing a beneficial interest in indebtedness for U.S. federal income tax purposes and each holder and beneficial owner of a Certificate, by acceptance of such Certificate or a beneficial interest therein, will likewise agree to treat the Certificates as representing a beneficial interest in indebtedness for such purposes. This treatment is not binding on the IRS and no ruling will be sought from the IRS regarding this or any other aspect of the tax treatment of the Certificates. It is possible that the IRS could successfully argue that the Certificates should be treated as equity interests in a partnership for U.S. federal income tax purposes. Prospective investors should seek advice from their own tax advisers as to the consequences to them of alternative characterisations of the Certificates. The remainder of this discussion assumes that the Certificates represent a beneficial interest in indebtedness for U.S. federal income tax purposes.

#### ***Pre-issuance accrued interest***

If a portion of the price paid for a Certificate is allocable to interest that accrued prior to the date the Certificate is issued ("**pre-issuance accrued interest**"), the Company intends to take the position that, on the first interest payment date, a portion of the interest received in an amount equal to any pre-issuance accrued interest will be treated as a return of the pre-issuance accrued interest and not as a payment of interest on the Certificate. A U.S. Holder's basis in a Certificate will not include the portion of purchase price allocable to the pre-issuance accrued interest. Amounts treated as a return of pre-issuance accrued



interest should not be taxable when received. U.S. Holders should consult their own tax advisers with regard to the tax treatment of the pre-issuance accrued interest on a Certificate.

### ***Payments of stated interest***

Interest paid on a Certificate will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the Holder's method of accounting for U.S. federal income tax purposes, provided that the interest is "qualified stated interest" (as defined below). Interest income (including original issue discount, as discussed below) earned by a U.S. Holder with respect to a Certificate will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the Holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisers about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to original issue discount Certificates and foreign currency Certificates are described under "*Taxation – United States Federal Income Taxation – Original issue discount*," "*Taxation – United States Federal Income Taxation – Contingent payment debt instruments*," and "*Taxation – United States Federal Income Taxation – Foreign currency Certificates*."

### ***Original issue discount***

A Certificate that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued with original issue discount for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Certificate**") unless the Certificate satisfies a *de minimis* threshold (as described below). The "issue price" of a Certificate generally will be the first price at which a substantial amount of the Certificates are sold to the public (which does not include sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). However, in the case of Certificates issued in a further issuance that is a "qualified reopening" for U.S. federal income tax purposes, their price will be equal to the issue price of the original Certificates in the relevant Series. The "stated redemption price at maturity" of a Certificate generally will equal the sum of all payments required to be made under the Certificate other than payments of "qualified stated interest". "**Qualified stated interest**" is stated interest unconditionally payable in cash or property (other than in debt instruments of the Company) at least annually during the entire term of the Certificate at a single fixed profit rate, at a single qualified floating profit rate or at a profit rate that is determined at a single fixed formula that is based on objective financial or economic information. A rate is a qualified floating profit rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Certificate is denominated.

If the difference between a Certificate's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., one-quarter of one per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity (or weighted average maturity if any amount included in the stated redemption price at maturity is payable before maturity), the Certificate will not be considered to have original issue discount. U.S. Holders of the Certificates with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Certificate.

U.S. Holders of original issue discount Certificates that mature more than one year from their date of issuance will be required to include original issue discount in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received. Under these rules, U.S. Holders generally will have to include in taxable income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder may make an election to include in gross income all interest that accrues on any particular Certificate (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest, and generally may revoke such election (a "**constant yield election**") only with the permission of the IRS. If a U.S. Holder makes a constant yield election with respect to a Certificate with market discount (discussed below), the U.S. Holder will be treated as having made an election to include market discount in income currently over the life of 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 such election applies.

U.S. Holders should consult their tax advisers about making this election in light of their particular circumstances.

A Certificate that matures one year or less from its date of issuance (a "**short-term Certificate**") will be treated as being issued at a discount and none of the interest paid on the Certificate will be treated as qualified stated interest regardless of its issue price. In general, a cash method U.S. Holder of a short-term Certificate is not required to accrue the discount for U.S. federal income tax purposes but may elect to do so. Cash method U.S. Holders who do not elect to accrue the discount should include stated interest payments on short-term Certificates as ordinary income upon receipt. Cash method U.S. Holders who do elect to accrue the discount and certain other Holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any gain realized on the sale, exchange, or retirement of the short-term Certificate will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Certificates in an amount not exceeding the accrued discount until the accrued discount is included in income.

The Company may have an unconditional option to redeem, or U.S. Holders may have an unconditional option to require the Company to redeem, a Certificate prior to its stated maturity date. Under applicable regulations, if the Company has an unconditional option to redeem a Certificate prior to its stated maturity date, this option will be presumed to be exercised if, by utilizing any date on which the Certificate may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Certificate as the stated redemption price at maturity, the yield on the Certificate would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require the Company to redeem a Certificate prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Certificate would be higher than its yield to maturity. If it was presumed that an option would be exercised but it is not in fact exercised, the Certificate would be treated solely for purposes of calculating original issue discount as if it were redeemed, and a new Certificate were issued, on the presumed exercise date for an amount equal to the Certificate's adjusted issue price on that date. The adjusted issue price of an original issue discount Certificate is defined as the sum of the issue price of the Certificate and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest.

#### ***Market discount***

If a U.S. Holder purchases a Certificate (other than a short-term Certificate) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Certificate, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. Holder will be required to treat any principal payment (or, in the case of an original issue discount Certificate, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Certificate, including disposition in certain non-recognition transactions, as foreign source ordinary income to the extent of the market discount accrued on the Certificate at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. Holder pursuant to an election by the U.S. Holder to include market discount in income as it accrues. An election to include market discount in income as it accrues applies 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 such election applies and may not be revoked without the consent of the IRS. In addition, a U.S. Holder that does not elect to include market discount in income currently may be required to defer, until the maturity of the Certificate or its earlier disposition (including certain non-taxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Certificate.

Market discount will accrue on a straight line basis unless a U.S. Holder makes an election on a Certificate to accrue on the basis of a constant interest rate. This election is irrevocable once made.

### ***Acquisition premium and amortisable bond premium***

A U.S. Holder who purchases a Certificate for an amount that is greater than the Certificate's adjusted issue price but less than or equal to the stated redemption price at maturity will be considered to have purchased the Certificate at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. Holder must include in its gross income with respect to the Certificate for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. Holder purchases a Certificate for an amount that is greater than the stated redemption price at maturity, the U.S. Holder will be considered to have purchased the Certificate with amortisable bond premium equal in amount to the excess of the purchase price over the amount payable at maturity. The U.S. Holder may elect to amortise this premium, using a constant yield method, over the remaining term of the Certificate. A U.S. Holder who elects to amortise bond premium must reduce its tax basis in the Certificate by the amount of the premium amortised in any year. An election to amortise bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under "*Taxation – United States Federal Income Taxation – Original issue discount*") for a Certificate with amortisable bond premium, such election will result in a deemed election to amortise bond premium for all of the Holder's debt instruments with amortisable bond premium.

### ***Sale, exchange or retirement of the Certificates***

Upon the sale, exchange or retirement of a Certificate, a U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the Holder's adjusted tax basis in the Certificate. A U.S. Holder's adjusted tax basis in a Certificate generally will equal the acquisition cost of the Certificate increased by the amount of original issue discount and market discount included in the U.S. Holder's gross income and decreased by any bond premium or acquisition premium previously amortised and by the amount of any payment received from the Trustee other than a payment of qualified stated interest, in each case, with respect to the Certificate. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. Holder's foreign tax credit limitation except to the extent attributable to market discount that has not been previously included in the U.S. Holder's gross income. For these purposes, the amount realised does not include any amount attributable to accrued but unpaid qualified stated interest on the Certificate. Amounts attributable to accrued but unpaid qualified stated interest are treated as payments of interest as described under "*Taxation – United States Federal Income Taxation – Payments of stated interest*".

Gain or loss realised on the sale, exchange or retirement of a Certificate will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the U.S. Holder has held the Certificate for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Certificate, to the extent of any accrued discount, not previously included in the U.S. Holder's taxable income (see further "*Taxation – United States Federal Income Taxation – Market discount*" and "*Taxation – United States Federal Income Taxation – Original issue discount*"). In addition, other exceptions to this general rule apply in the case of foreign currency Certificates, and contingent payment debt instruments (see further "*Taxation – United States Federal Income Taxation – Foreign currency Certificates*" and "*Taxation – United States Federal Income Tax – Contingent payment debt instruments*"). The deductibility of capital losses is subject to limitations.

### ***Contingent payment debt instruments***

If the terms of the Certificates provide for certain contingencies that affect the timing and amount of payments (including Certificates with a variable rate or rates that do not qualify as "variable rate debt instruments" for the purposes of the original issue discount rules), the Certificates generally will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Certificates qualifies as qualified stated interest. Rather, a U.S. Holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Certificate and the Certificate's "projected payment schedule" as described below. The comparable yield is determined by the Company at the time of issuance of the Certificates. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Certificates. Solely for the purpose of determining the amount of interest

income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, the Trustee will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield. The Trustee's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

**Neither the comparable yield nor the projected payment schedule constitutes a representation by the Company or the Trustee regarding the actual amount, if any, that the contingent payment debt instrument will pay.**

For U.S. federal income tax purposes, a U.S. Holder will be required to use the comparable yield and the projected payment schedule established by the Company in determining interest accruals and adjustments unless the U.S. Holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. Holder, regardless of the U.S. Holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. Holder will be required to recognise interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a Holder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:
  - the amount of all previous interest inclusions under the contingent payment debt instrument over
  - the total amount of the U.S. Holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

A net negative adjustment is not subject to the 2 per cent. floor limitation that will be imposed on miscellaneous itemised deductions after 2025. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realised on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Certificate that is a contingent payment debt instrument generally will be the acquisition cost of the Certificate, increased by the interest previously accrued by the U.S. Holder on the Certificate under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Certificate. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a U.S. Holder recognises loss above certain thresholds, the U.S. Holder may be required to file a disclosure statement with the IRS (as described under "*Taxation – United States Federal Income Taxation – Reporting requirements*").

A U.S. Holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument equal to the fair market value of the property, determined at the time of retirement. The U.S. Holder's holding period for the property will commence on the day immediately following its receipt. Special rules apply to contingent payment debt instruments the payments of interest or principal on which are denominated in or determined by reference to a currency other than the U.S. dollar ("**Foreign Currency Contingent Payment Debt Instruments**"). Very generally, Foreign Currency Contingent Payment Debt Instruments are accounted for like a contingent payment debt instrument, as described above, but in the currency of the Foreign Currency Contingent Payment Debt Instruments. The relevant amounts must then be translated into U.S. dollars. The rules applicable to Foreign Currency Contingent Payment Debt Instruments are complex and U.S. Holders are urged to consult their own tax advisers regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of Foreign Currency Contingent Payment Debt Instruments.

### ***Benchmark Event***

Certain terms of the Certificates relating to a Benchmark Event could be viewed as contingencies that affect the amount of payments for purposes of the contingent payment debt instrument rules. The Company intends to take the position that these terms do not cause the Certificates to be contingent payment debt instruments. This determination, however, is not binding on the IRS and if the IRS were to successfully challenge this determination, a U.S. Holder may be subject to the rules discussed above (as described under "*Taxation – United States Federal Income Taxation – Contingent payment debt instruments*"). U.S. Holders should consult with their tax advisers about the potential impact of these terms in their particular circumstances.

### ***Foreign currency Certificates***

The following discussion summarises certain U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Certificates the payments of interest or principal on which are denominated in or determined by reference to a currency other than the U.S. dollar ("**foreign currency Certificates**")

The rules applicable to foreign currency Certificates could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Certificate to be recharacterised as ordinary income or loss. The rules applicable to foreign currency Certificates are complex and may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their tax advisers regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Certificates.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Certificate will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency.

An accrual method U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortisable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Certificate during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the relevant taxable year. The U.S. Holder will recognise ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognised will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue original issue discount or market discount.

An accrual method U.S. Holder or cash method U.S. Holder accruing original issue discount may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the

partial accrual period in the relevant taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortisable bond premium on a foreign currency Certificate are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realised with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above. Accrued market discount (other than market discount currently included in income) taken into account upon the receipt of any partial principal payment or upon the sale, retirement or other disposition of a Certificate is translated into U.S. dollars at the spot rate on such payment or disposition date.

If an election to amortise bond premium is made, amortisable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realised on amortised bond premium with respect to any period by treating the bond premium amortised in the period in the same manner as on the sale, exchange or retirement of the foreign currency Certificate. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realised on the sale, exchange or retirement of a foreign currency Certificate with amortisable bond premium by a U.S. Holder who has not elected to amortise the premium will be a capital loss to the extent of the bond premium.

A U.S. Holder's tax basis in a foreign currency Certificate, and the amount of any subsequent adjustment to the Holder's tax basis, will be the U.S. dollar value amount of the foreign currency amount paid for such foreign currency Certificate, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. Holder who purchases a foreign currency Certificate with previously owned foreign currency will recognise ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency Certificate on the date of purchase.

Gain or loss realised upon the sale, exchange or retirement of a foreign currency Certificate that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between: (i) the U.S. dollar value of the foreign currency principal amount of the Certificate, determined on the date the payment is received or the Certificate is disposed of; and (ii) the U.S. dollar value of the foreign currency principal amount of the Certificate, determined on the date the U.S. Holder acquired the Certificate. For purposes of computing exchange gain and loss, the principal amount of a debt instrument is the U.S. Holder's purchase price in units of non-functional currency. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Certificates described above. The foreign currency gain or loss in connection with the sale, exchange or retirement of a foreign currency Certificate will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange or retirement of the foreign currency Certificate (including, for this purpose, any exchange gain or loss recognised with respect to accrued but unpaid interest). The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. Holder or the "qualified business unit" of the U.S. Holder on whose books the Certificate is properly reflected. Any gain or loss realised by these U.S. Holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, discount on a short-term Certificate not previously included in the Holder's income provided that the Certificate is not a Foreign Currency Contingent Payment Debt Instrument. Holders should consult their tax advisers with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such Certificate accrue.

A U.S. Holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency Certificate equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method taxpayer who buys or sells a foreign currency Certificate that is traded on an established securities market is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment for all purchases and

sales of foreign currency obligations provided that the Certificates are traded on an established securities market. This election cannot be changed without the consent of the IRS. If either: (i) the Certificate is not traded on an established securities market; or (ii) it is and the Holder is an accrual method taxpayer that does not make the election described above with respect to such Certificate, exchange gain or loss may result from currency fluctuations between the trade date and the settlement date of the purchase or sale. Any gain or loss realised by a U.S. Holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency Certificates) will be ordinary income or loss.

#### ***Backup withholding and information reporting***

Information returns may be filed with the IRS in connection with payments on the Certificates and the proceeds from a sale or other disposition of the Certificates. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. 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 them to a refund, provided that the required information is furnished to the IRS.

#### ***Reporting requirements***

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Certificates as a reportable transaction if the loss exceeds U.S.\$50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other U.S. Holders. In the event the acquisition, ownership or disposition of the Certificates constitutes participation in a "reportable transaction" for the purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS.

U.S. Holders should consult their tax advisers regarding the application of these rules as well as any additional filing or reporting obligations that may apply to the acquisition, ownership or disposition of the Certificates. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

**The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a U.S. Holder's particular situation. U.S. Holders should consult their tax advisers with respect to the tax consequences to them of the ownership and disposition of the Certificates, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.**

#### **Foreign Account Tax Compliance Act**

Pursuant to Sections 1471 through 1474 of the Code, commonly known as "**FATCA**", a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**", a term not defined as at the date of this Base Prospectus) to persons that fail to meet certain certification, reporting or related requirements. The Trustee is a foreign financial institution for these purposes. A number of jurisdictions (including the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register (the "**grandfathering date**") generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Trustee). Holders should

consult their own tax advisers regarding how these rules may apply to their investment in Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Certificates, no person will be required to pay additional amounts or indemnify any person as a result of any FATCA withholding.

### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, 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 the Certificates (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 (such as the issuance and subscription of Certificates) are expected to be exempt.

Under the Commission's Proposal, 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 the 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: (i) by transacting with a person established in a participating Member State; or (ii) 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 the Certificates are advised to seek their own professional advice in relation to the FTT.



## CERTAIN ERISA AND RELATED CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and Section 4975 of the Code prohibit certain transactions involving: (i) "employee benefit plans" (such as pension plans, profit-sharing plans, collective investment funds and separate accounts whose underlying assets include the assets of such employee benefit plan) within the meaning of Section 3(3) of ERISA that are subject to Title I of ERISA, "plans" (such as individual retirement accounts and "Keogh plans") within the meaning of Section 4975(e) of the Code that are subject to Title I of ERISA or are defined in and subject to Section 4975 of the Code (collectively, "**Plans**"); and (ii) persons who have certain specified relationships to Plans ("parties in interest" under ERISA and "disqualified persons" under Section 4975 of the Code and collectively, "**Parties in Interest**"). A violation of these "prohibited transaction" rules may result in the imposition of an excise tax, the rescission of the transaction or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless relief is available under an applicable statutory or administrative exemption. Under the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), when: (a) a Plan; or (b) any person or entity whose underlying assets include, or are deemed to include under the Plan Asset Regulation or otherwise for purposes of Title I of ERISA or Section 4975 of the Code, "plan assets" by reason of a Plans' investment in the person or entity (each of (a)-(b), a "**Benefit Plan Investor**") acquires 25 per cent. or more of any class of "equity interest" in an entity (which is defined as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features) that is neither a publicly offered security nor a security issued by an investment company registered under the U.S. Investment Company Act of 1940, as amended, the underlying assets owned by that entity will be treated as if they were the assets of a Plan, unless an exception otherwise applies. For purposes of this calculation, the value of equity interest held by: (1) persons, 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 (2) any "affiliates" within the meaning of paragraph (f)(3) of the Plan Asset Regulation of the foregoing (1) persons are excluded. If the assets of the Trustee were deemed to be assets of a Plan, the Trustee would be subject to certain fiduciary obligations under 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 ERISA and Section 4975 of the Code. If the assets of the Trustee were deemed to be assets of a Plan, the Trustee would be subject to certain fiduciary obligations under 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 ERISA and Section 4975 of the Code.

Employee benefit plans which are not "Benefit Plan Investors", including "governmental plans" within the meaning of Section 3(32) of ERISA, certain "church plans" within the meaning of Section 3(33) of ERISA, and non-U.S. plans described in Section 4(b)(4) of ERISA, may be subject to U.S. federal, state or local, or non-U.S., law or regulation that contains one or more provisions that are substantially similar to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code ("**Similar Law**"). Fiduciaries of such plans should consult with their counsel before they purchase any of the Certificates or any interest therein.

Each initial purchaser of the Certificates (or any interest therein) and each subsequent transferee will be deemed to have acknowledged, represented and agreed, by its purchase or holding of Certificates, that (i) it is not and for so long as it holds Certificates will not be and will not be acting on behalf of: (a) a Benefit Plan Investor, or (b) a governmental, church or non-U.S. Plan that is subject to any Similar Law unless, under this subsection (b), its purchase and holding of the Certificates would not result in a violation of any applicable Similar Law; and (ii) it and any person causing it to acquire any of the Certificates agrees to indemnify and hold harmless the Trust, the Trustee Administrator, the Trustee, the Company and the Arrangers and 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.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated dealer agreement dated 2 September 2019 (the "**Dealer Agreement**"), agreed with the Trustee and the Company a basis upon which they or any of them may from time to time agree to purchase Certificates for their own account or for resale to investors and other purchasers at varying pricing relating to prevailing market prices at the time of resale as determined by any Dealer or for resale at a fixed offering price. Any such agreement will extend to those matters stated under the Conditions and "*Form of the Certificates*".

In accordance with the terms of the Dealer Agreement, the Trustee and the Company will pay each relevant Dealer a commission as agreed between the Trustee, the Company and such Dealers in respect of Certificates subscribed by it. The Trustee and the Company has agreed in the Dealer Agreement to reimburse the Dealers for certain of their expenses in connection with the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Dealer Agreement entitles the relevant Dealer(s) to terminate any agreement that they make to subscribe Certificates in certain circumstances prior to payment for such Certificates being made to the Trustee.

In order to facilitate the offering of any Tranche of the Certificates, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Certificates during and after the offering of the Tranche. Specifically, such persons may over-allot or create a short position in the Certificates for their own account by selling more Certificates than have been sold to them by the Trustee. Such persons may also elect to cover any such short position by purchasing Certificates in the open market. In addition, such persons may stabilise or maintain the price of the Certificates by bidding for or purchasing Certificates in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Certificates are reclaimed if Certificates previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Certificates to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilisation or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations, stabilisation activities may only be carried on by the Stabilisation Manager(s) named in the applicable Final Terms (or Pricing Supplement, as applicable) (or persons acting on behalf of any Stabilisation Manager(s)) and only for a limited period following the Issue Date of the relevant Tranche of Certificates.

### **Transfer Restrictions**

*As a result of the following restrictions, purchasers of Certificates who are in the United States or who are U.S. persons are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Certificates.*

The 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. In addition, the Trustee is relying on the exemption from the registration requirements of the Investment Company Act provided by Section 3(c)(7). Accordingly, the 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 an offshore transaction in reliance on Regulation S.

Any reoffer, resale, pledge, transfer or other disposal, or attempted reoffer, resale, pledge, transfer or other disposal, made other than in compliance with the restrictions noted below shall not be recognised by the Company or the Trustee.

### ***Restricted Certificates***

Each purchaser of a beneficial interest in the Restricted Certificates, by accepting delivery of this Base Prospectus and the Restricted Certificates, will be deemed to have acknowledged, represented and agreed that:

- (i) It is: (a) a QIB that is also a QP; (b) not a broker dealer that owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers; (c) not a participant directed employee plan, such as a 401(k) plan; (d) acquiring such Restricted Certificates for its own account, or for the account of one or more QIBs, each of which is also a QP; (e) not formed for the purpose of investing in the Restricted Certificates or the Trustee; and (f) aware, and each beneficial owner of the Restricted Certificates has been advised, that the sale of the Restricted Certificates to it is being made in reliance on Rule 144A and the Trustee is relying on the exemption from the registration requirements of the Investment Company Act provided by section 3(c)(7);
- (ii) It will provide notice of the transfer restrictions to any subsequent transferees. In addition, it understands that the Trustee may receive a list of participants holding positions in the Restricted Certificates from one or more book entry depositories;
- (iii) (a) The Restricted 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, sold, pledged or otherwise transferred except: (i) in accordance with Rule 144A to a person that it, 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; or (ii) to a non U.S. person within the meaning of Regulation S in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States; and (b) it will, and each subsequent holder of the Restricted Certificates is required to, notify any purchaser of the Restricted Certificates from it of the resale restrictions on the Restricted Certificates;
- (iv) It understands that the Restricted Certificates sold in this offering constitute "**restricted securities**" within the meaning of Rule 144 under the Securities Act, and for so long as they remain "restricted securities" such Restricted Certificates may not be transferred except as described in paragraph (iii) above;
- (v) It understands that the Trustee has the power to compel any beneficial owner of Restricted Certificates that is a U.S. person and is not a QIB and also a QP to sell its interest in the Restricted 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 the Restricted Certificates to a U.S. person who is not both a QIB and a QP. Any purported transfer of the Restricted Certificates 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 *ab initio*;
- (vi) The Restricted Certificates, unless the Trustee determines otherwise in accordance with applicable law, will bear a legend in or substantially in the following form:

"THE CERTIFICATE REPRESENTED HEREBY HAS 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 ACCORDINGLY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A "**QIB**") WITHIN THE MEANING OF RULE 144A AND A QUALIFIED PURCHASER (A "**QP**") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (THE "**INVESTMENT COMPANY ACT**") PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF ONE OR MORE QIBS EACH OF WHICH IS A QP WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT OR (2) IN AN OFFSHORE TRANSACTION TO A PERSON WHO IS

NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, AND, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE CERTIFICATES REPRESENTED HEREBY IN RESPECT HEREOF OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE TRUSTEE, THE COMPANY OR ANY INTERMEDIARY. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS CERTIFICATE.

IF THE BENEFICIAL OWNER HEREOF IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S, SUCH BENEFICIAL OWNER REPRESENTS THAT (1) IT IS A QIB THAT IS ALSO A QP; (2) IT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS; (3) IT IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN; (4) IT IS HOLDING THE CERTIFICATES REPRESENTED HEREBY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs, EACH OF WHICH IS A QP; (5) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE TRUSTEE OR THE CERTIFICATES REPRESENTED HEREBY; (6) IT UNDERSTANDS THAT THE TRUSTEE MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES AND (7) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS CERTIFICATE IT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S THAT IS NOT A QIB AND A QP, THE TRUSTEE MAY (A) COMPEL IT TO SELL ITS INTEREST IN THIS CERTIFICATE TO A PERSON WHO IS (I) A U.S. PERSON WHO IS A QIB AND A QP THAT IS, IN EACH CASE, OTHERWISE QUALIFIED TO PURCHASE THE CERTIFICATES REPRESENTED HEREBY IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THE CERTIFICATES REPRESENTED HEREBY TO THE TRUSTEE OR AN AFFILIATE OF THE TRUSTEE OR TRANSFER ITS INTEREST IN THIS CERTIFICATE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE TRUSTEE AT A PRICE EQUAL TO THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100 PER CENT. OF THE FACE AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE TRUSTEE HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THE CERTIFICATES REPRESENTED HEREBY TO A U.S. PERSON WHO IS NOT A QIB AND A QP. THE TRUSTEE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT.

BY ACCEPTING THIS CERTIFICATE (OR ANY INTEREST IN THE CERTIFICATES REPRESENTED HEREBY) EACH BENEFICIAL OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFICIAL OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT, DURING THE PERIOD IT HOLDS ANY INTEREST IN THIS CERTIFICATE (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF AN "EMPLOYEE BENEFIT PLAN" WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, A "PLAN" WITHIN THE MEANING OF 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 OR ANY PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE UNDER THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OR OTHERWISE FOR PURPOSES OF TITLE I

OF ERISA OR SECTION 4975 OF THE CODE, "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE PERSON OR ENTITY (COLLECTIVELY, "BENEFIT PLAN INVESTORS") AND (B) IF IT IS, OR IS ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR BUT IS SUBJECT TO A U.S. FEDERAL, STATE OR LOCAL, OR NON-U.S., LAW OR REGULATION THAT CONTAINS ONE OR MORE PROVISIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), SUCH ACQUISITION DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY APPLICABLE SIMILAR LAW AND WILL NOT SUBJECT THE TRUSTEE OR ANY TRANSACTIONS THEREBY TO A LAW, RULE OR REGULATION APPLICABLE TO SUCH PLAN AS A RESULT OF THE INVESTMENT IN THE CERTIFICATES BY SUCH PLAN. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS CERTIFICATE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE NOR THE DELEGATE WILL RECOGNISE ANY SUCH ACQUISITION OR TRANSFER. IN THE EVENT THAT THE TRUSTEE DETERMINES THAT THIS CERTIFICATE IS HELD BY A BENEFIT PLAN INVESTOR, THE TRUSTEE MAY CAUSE A SALE OR TRANSFER IN THE MANNER DESCRIBED IN THE BASE PROSPECTUS.

THE TRUSTEE MAY COMPEL EACH BENEFICIAL OWNER OF THE CERTIFICATES REPRESENTED HEREBY THAT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S TO CERTIFY PERIODICALLY THAT SUCH BENEFICIAL OWNER IS A QIB AND A QP.";

- (vii) That: (i) it is not and is not acting on behalf of: (1) a Benefit Plan Investor, or (2) a governmental, church or non-U.S. Plan that is subject to any Similar Law unless, under this subsection (2), its purchase and holding of the Certificates would not result in a violation of any applicable Similar Law; and (ii) it will not sell or otherwise transfer any Certificates or interest to any person unless the same foregoing representations and warranties apply to that person.
- (viii) It acknowledges that the Trustee, the Company, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Restricted Certificates is no longer accurate, it shall promptly notify the Trustee, the Company and the Dealers. If it is acquiring any Certificates as a fiduciary or agent for one or more investor 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 account; and
- (ix) It understands that Restricted Certificates will be represented by interests in one or more Restricted Global Certificates. Before any interest in a Restricted Global 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 Certificate, it will be required to provide a Transfer Agent or the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

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

***Unrestricted Certificates***

Each purchaser of a beneficial interest in the Unrestricted Certificates and each subsequent purchaser of Unrestricted Certificates, by accepting delivery of this Base Prospectus and the Unrestricted Certificates, will be deemed to have represented, agreed and acknowledged that:

- (i) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and it is not an affiliate of the Trustee, the Company or a person acting on behalf of the Trustee, the Company or such an affiliate;

- (ii) it is, or at the time Unrestricted Certificates are purchased it will be, the beneficial owner of such Unrestricted Certificates;
- (iii) the Unrestricted 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 that if it should offer, sell, pledge or otherwise transfer Unrestricted 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 the Unrestricted Certificates), it will do so only except (a) in accordance with Rule 144A to a person that it 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 or (b) to a non U.S. person within the meaning of Regulation S in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States.
- (iv) it understands that the Unrestricted Certificates, unless otherwise determined by the Trustee in accordance with applicable law, will bear a legend substantially in the following form:

"THE CERTIFICATE REPRESENTED HEREBY HAS 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 ACCORDINGLY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DISPOSED OF WITHIN THE UNITED STATES OR TO A U.S. PERSON EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THIS PARAGRAPH OF THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE CERTIFICATES OF THE SERIES OF WHICH THIS CERTIFICATE FORMS PART.

BY ACCEPTING THIS CERTIFICATE (OR ANY INTEREST IN THE CERTIFICATES REPRESENTED HEREBY) EACH BENEFICIAL OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFICIAL OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT, DURING THE PERIOD IT HOLDS ANY INTEREST IN THIS CERTIFICATE (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF AN "EMPLOYEE BENEFIT PLAN" WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, A "PLAN" WITHIN THE MEANING OF 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 OR ANY PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE UNDER THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OR OTHERWISE FOR PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE, "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE PERSON OR ENTITY (COLLECTIVELY, "**BENEFIT PLAN INVESTORS**") AND (B) IF IT IS, OR IS ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR BUT IS SUBJECT TO A U.S. FEDERAL, STATE OR LOCAL, OR NON-U.S., LAW OR REGULATION THAT CONTAINS ONE OR MORE PROVISIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), SUCH ACQUISITION DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY APPLICABLE SIMILAR LAW AND WILL NOT SUBJECT THE TRUSTEE OR ANY TRANSACTIONS THEREBY TO A LAW, RULE OR REGULATION APPLICABLE TO SUCH PLAN AS A RESULT OF THE INVESTMENT IN THE CERTIFICATES BY SUCH PLAN. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS CERTIFICATE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE NOR THE DELEGATE WILL RECOGNISE ANY SUCH ACQUISITION OR TRANSFER. IN THE EVENT THAT THE TRUSTEE DETERMINES THAT THIS CERTIFICATE IS HELD BY A BENEFIT PLAN INVESTOR,

THE TRUSTEE MAY CAUSE A SALE OR TRANSFER IN THE MANNER DESCRIBED IN THE BASE PROSPECTUS.";

- (v) that: (a) it is not and is not acting on behalf of: (1) a Benefit Plan Investor, or (2) a governmental, church or non-U.S. Plan that is subject to any Similar Law unless, under this subsection (2), its purchase and holding of the Certificates would not result in a violation of any applicable Similar Law; and (b) it will not sell or otherwise transfer any Certificates or interest to any person unless the same foregoing representations and warranties apply to that person.
- (vi) it acknowledges that the Trustee, the Company, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Unrestricted Certificates is no longer accurate, it shall promptly notify the Trustee, the Company and the Dealers; and
- (vii) it understands that Unrestricted Certificates will be evidenced by an Unrestricted Global Certificate. Before any interest in a Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate, it will be required to provide a Transfer Agent or the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

### **Selling Restrictions**

#### ***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 offer or invitation, whether directly or indirectly, has been or will be made to the public in the Cayman Islands to subscribe for or purchase any Certificates and this Base Prospectus shall not be construed as an invitation to the public of the Cayman Islands to subscribe for or purchase any Certificates issued under the Programme. This Base Prospectus has not been filed with or reviewed by the Cayman Islands Monetary Authority or any other regulatory authority in the Cayman Islands, and no such authority in the Cayman Islands accepts any liability for the content hereof. This Base Prospectus may not be circulated in or into the Cayman Islands or made available to the general public in the Cayman Islands. The Certificates may not be transferred or sold to or purchased by any member of the general public in the Cayman Islands.

#### ***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 Certificates to any person in the DIFC unless such offer is:

- (i) an "Exempt Offer" in accordance with the Markets Rules (MKT Module) of the rulebook of the DFSA (the "**DFSA Rulebook**"); and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

#### ***Japan***

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**"). 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, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Certificates in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws, regulations and ministerial guidelines of Japan.

### ***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 Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

- (i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more (excluding that person's principal place of residence);
- (ii) 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
- (iii) 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).

### ***Kingdom of Saudi Arabia***

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public market offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 9 or Article 10 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of Capital Market Authority resolution number 3-123-2017 dated 27 December 2017, as amended by the Board of Capital Market Authority resolution number 3-45-2018 dated 23 April 2018 (the "**KSA Regulations**"), made through a person authorised by the Capital Market Authority ("**CMA**") to carry on the securities activity of arranging and following a notification to the CMA under Article 11 of the KSA Regulations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "sophisticated investors" under Article 9 of the KSA Regulations or by way of a limited offer under Article 10 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates to a Saudi Investor will be made in compliance with Article 9 or Article 10 of the KSA Regulations.

Each offer of Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 15 of the KSA Regulations. Any Saudi Investor who has acquired Certificates pursuant to a private placement under Article 9 or Article 10 of the KSA Regulations may not offer or sell those Certificates to any person unless the offer or sale is made through an authorised person appropriately licensed by the CMA and: (i) the Certificates are offered or sold to a Sophisticated Investor (as defined in Article 9 of the KSA Regulations); (ii) the price to be paid for the Certificates in any one transaction is equal to or exceeds Saudi Riyals 1 million or an equivalent amount; or (iii) the offer or sale is otherwise in compliance with Article 15 of the KSA Regulations.

### ***Malaysia***

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

- (i) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**"); and
- (ii) accordingly, any Certificates have not been and will not be offered, sold or delivered by it, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, by it nor may any document or other material in connection therewith be distributed by it in Malaysia, other than to persons falling within any one of the categories of persons specified under Schedule 6 or Section 229(1)(b) and Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3) of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.



Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

### **Republic of Italy**

The offering of the Certificates has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and accordingly, no Certificates may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Certificate be distributed in the Republic of Italy, except in accordance with any Italian securities, tax and other applicable laws and regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) the offering of the Certificates has not been, and will not be, registered pursuant to Italian securities legislation and, accordingly, no Certificates may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Certificates be distributed in the Republic of Italy, except:
  - (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or
  - (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971; and
- (ii) any offer, sale or delivery of the Certificates or distribution of copies of this Base Prospectus or any other document relating to the Certificates in the Republic of Italy under paragraph (i)(a) or paragraph (i)(b) above must be:
  - (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Consob Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**");
  - (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
  - (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

### **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 that, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered or sold any Certificates or caused the Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**")) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

*Notification under Section 309B(1)(c) of the SFA* – Unless otherwise stated in the applicable Final Terms (or Pricing Supplement, as applicable), all Certificates issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

***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 at any time, directly or indirectly, any 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: (a) has not been, and will not be, registered with or approved by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or the Qatar Stock Exchange and may not be publicly distributed in Qatar (including the Qatar Financial Centre); (b) is intended for the original recipient only and must not be provided to any other person; and (c) 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.

***United Arab Emirates (excluding the Dubai International Financial Centre)***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

***United Kingdom***

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

- (i) in relation to any Certificates which have a maturity of less than one year:

- (a) 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
- (b) it has not offered or sold and will not offer or sell any Certificates other than to persons:
  - (1) 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
  - (2) 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 Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

- (ii) 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 Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Company; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

#### ***Prohibition of Sales to EEA Retail Investors***

Unless the Final Terms (or Pricing Supplement, as applicable) in respect of any Certificates specifies the "*Prohibition of Sales to EEA Retail Investors*" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

#### ***United States***

The Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer and sell Certificates: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of all Certificates of the Tranche of which such Certificates are a part, within the United States or to, or for the account or benefit of, U.S. persons other than in offshore transactions pursuant to Regulation S or pursuant to Rule 144A under the Securities Act to QIBs who are also QPs. 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 Certificates, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree that it will send to each dealer to which it sells any Certificates during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented, warranted, undertaken and agreed and each further Dealer appointed under the Programme will be required to represent, warrant, undertake and agree 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 Certificates in the United States.

Each Dealer has represented, warranted, undertaken and agreed and each further Dealer appointed under the Programme will be required to represent, warrant, undertake and agree that it has offered and sold and will offer and sell the Certificates in the United States only to persons whom it reasonably believes are QIBs who are also QPs who can represent that: (A) they are QIBs who 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 million 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 also a QP; (E) they are not formed for the purpose of investing in the Certificates or the Trustee; (F) they understand that the Trustee may receive a list of participants holding positions in its securities from one or more book entry depositories; and (G) they will provide notice of the transfer restrictions set forth in this Base Prospectus to any subsequent transferees.

In addition, until 40 days after the commencement of the offering of any Certificates comprising any Tranche, an offer or sale of such 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 Rule 144A or an available exemption from registration under the Securities Act.

The Certificates (and any interest therein) may not be sold to or held by or on behalf of any: (i) "employee benefit plan" within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") that is subject to Title I of ERISA; (ii) "plan" within the meaning of Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") that is subject to Section 4975 of the Code; (iii) any person or entity whose underlying assets include, or are deemed to include under the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise for purposes of Title I of ERISA or Section 4975 of the Code, "plan assets" by reason of such employee benefit plan's or plan's investment in the person or entity (collectively, "**Benefit Plan Investors**"); or (iv) an employee benefit plan that is not a Benefit Plan Investor but is subject to a U.S. federal, state, local, non-U.S. or other law or regulation that contains one or more provisions that are substantially similar to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code ("**Similar Law**"), unless, under this subsection (iv), its purchase and holding of the Certificates would not result in a violation of any applicable Similar Law or subject the Trustee or any transactions thereby to any such Similar Law.

## **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 Certificates or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of 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 neither the Trustee, the Company nor any of the other Dealers shall have any responsibility therefor.

Neither the Trustee, the Company nor any of the Dealers represents that 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 such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other restrictions as the Trustee, the Company and the relevant Dealer(s) shall agree and as shall be set out in the relevant subscription agreement or, as the case may be, in the applicable Final Terms or the Pricing Supplement (as applicable).

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme was authorised by a resolution of the board of directors of the Trustee dated 8 May 2016. The update of the Programme was authorised by a resolution of the board of directors of the Trustee dated 2 September 2019. The Trustee has obtained or will obtain from time to time, all necessary consents, approvals and authorisations in connection with the issue and performance of the Certificates. The entry into the Transaction Documents to which it is a party was authorised by a resolution of the Board of Directors of the Company dated 20 August 2019.

### Legal Entity Identifier

The LEI code of the Trustee is: 21380096JRTWB8TL9236.

### Listing of the Certificates

It is expected that each Tranche of the Certificates (other than Non-PR Certificates) which is to be admitted to the Official List and to trading on the Regulated Market will be admitted separately as and when issued, subject only to the issue of a Global Certificate initially representing the Certificates of such Tranche. Application has been made to the FCA for Certificates issued under the Programme (other than Non-PR Certificates) to be admitted to the Official List and to the London Stock Exchange for such Certificates to be admitted to trading on the Regulated Market. The listing of the Programme in respect of such Certificates is expected to be granted on or around 2 September 2019.

Non-PR Certificates may be issued pursuant to the Programme.

Application has also been made to the DFSA for certain Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the DFSA Official List and to Nasdaq Dubai for such Certificates to be admitted to trading on Nasdaq Dubai.

### 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.

### Dealers Transacting with the Company

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Company and its affiliates in the ordinary course of business for which they may receive fees. In particular, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Company and its affiliates routinely hedge their credit exposure to the Company and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Certificates issued under the Programme. Any such short positions could adversely affect future trading prices of Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### Significant or Material Change

There has been no significant change in the financial or trading position, or the financial performance, of the Company or the Group since 30 June 2019, other than the new debt issuances specified in "*Overview of the Group – Recent Developments*". There has been no material adverse change in the prospects of the Company or the Group since 31 December 2018.

There has been no significant change in the financial or trading position, or the financial performance, 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**

Apart from the legal proceedings disclosed on page 256 of this Base Prospectus, there are, and have been, no other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee or the Company is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus a significant effect on the Trustee's or the Group's financial position or profitability.

### **Clearing Systems**

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records. The appropriate Common Code and ISIN for each Tranche of Certificates allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, as applicable). In addition, the Trustee may make an application for any Certificates in registered form to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Certificates and the CUSIP and/or CINS numbers for each Tranche of Certificates, together with the relevant ISIN and (if applicable) Common Code, will be specified in the applicable Final Terms (or Pricing Supplement, as applicable).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

### **Conditions for Determining Price**

The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Company and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

### **Independent Auditors**

The consolidated financial statements of DP World PLC and its subsidiaries as at and for the year ended 31 December 2018 and as at and for the year ended 31 December 2017 included in this Base Prospectus have been audited by KPMG, independent auditors, as stated in their reports appearing herein.

With respect to the unaudited condensed consolidated financial information for the periods ended 30 June 2019 included herein, the independent auditors have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein states that they did not audit, and they do not express an opinion on, that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

KPMG is an institution authorised by the DIFC to conduct independent audits of corporations registered in DIFC. KPMG is a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative. The registered office address of KPMG is P.O. Box 3800, Level 8, Liberty House, Dubai International Financial Centre, Dubai, United Arab Emirates.

KPMG is regulated in the UAE by the UAE Ministry of Economy which has issued KPMG with a license to practise as auditors. There is no professional institute of auditors in the UAE and, accordingly, KPMG is not a member of a professional body in the UAE. All of KPMG's audit professionals and partners are members of the institutes from where they received their professional qualification.

### **Documents Available for Inspection**

For the period of 12 months following the date of this Base Prospectus, copies of the following documents (when published) may be inspected: (i) upon reasonable notice being given, at the registered office of the

Trustee and at the specified office of the Issuing and Paying Agent for the time being in London; and (ii) at <https://www.dpworld.com/investors>:

- the constitutional documents of the Trustee and the Company (as the same may be updated from time to time);
- the Transaction Documents and the forms of the Global Certificates and Definitive Certificates; and
- the DPW Financial Statements, together with the audit reports prepared in connection therewith.

For the avoidance of doubt, the information contained on the website referred to in this paragraph is not incorporated by reference into, or otherwise included in, this Base Prospectus.

This Base Prospectus will also be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and on the DFSA's website at <https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents>.

#### **Issuer's Website**

The Company's website is [www.dpworld.com](http://www.dpworld.com). Unless specifically incorporated by reference into this Base Prospectus, the information contained on this website is not incorporated by reference into, or otherwise included in, this Base Prospectus.

#### **Shari'a Boards**

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the *Shari'a* Advisory Board of Citi Islamic Investment Bank E.C., the Fatwa and Sharia Supervisory Board of Dubai Islamic Bank PJSC, the First Abu Dhabi Bank Internal *Shariah* Supervision Committee and the Central *Shariah* Committee of HSBC Bank Middle East Limited.

#### ***The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.***

##### *Dr. Nazih Hammad*

Dr. Nazih Hammad is a graduate of the Faculty of *Shari'a* at the University of Damascus, Syria and holds a Ph. D. in Islamic Jurisprudence from Cairo University. He has taught in Faculty of *Shari'a* at Um Alqura University, Makkah for 17 years. Dr. Nazih Hammad is the author of several research papers and books on Islamic jurisprudence and banking and finance.

##### *Dr. Nizam Yaquby*

Dr. Yaquby studied traditional Islamic studies under the guidance of eminent Islamic scholars from different parts of the world. He has a BA in economics and comparative religions from McGill University, Canada. He has served in Bahrain Mosques from 1981 to 1990 where he taught Tafsir, Hadith and Fiqh in Bahrain since 1976. In addition to advising Citi Islamic Investment Bank E.C. and other Islamic finance institutions and funds, Sheikh Yaquby is a member of the Islamic Fiqh Academy and Auditing and Accounting Organisation for Islamic Financial Institutions. He has published several articles and books on various Islamic subjects including banking and finance.

##### *Dr. Mohammed Ali Elgari*

Dr. Elgari is a former Professor of Islamic Economics at King Abdulaziz University, Jeddah, Saudi Arabia and a former Director of the Centre for Research in Islamic Economics, in the same university. He serves as an expert at the Islamic jurisprudence academy of the Organisation of Islamic Cooperation and the Islamic Jurisprudence Academy of the Islamic World League and a member of the *Shariah* Council of AAOIFI. He is a member of the editorial board of several academic publications in the field of Islamic finance and jurisprudence among them, the Journal of the Jurisprudence Academy (of the IWL), the Journal of Islamic Economic Studies (IDB), the Journal of Islamic Economic (IAIE, London), and the advisory board of Harvard Series in Islamic Law, Harvard Law School.

Dr. Elgari is a member of numerous *Shari'a* boards of Islamic banks and takaful companies internationally. He authored several books in Islamic finance and published numerous articles on the subject both in Arabic and English. Dr. Elgari is also a frequent speaker at conferences worldwide. Dr. Elgari holds a PhD in Economics from the University of California.

***The Fatwa and Sharia Supervisory Board of Dubai Islamic Bank PJSC***

*Dr Hussain Hamed Hassan (Chairman)*

Dr Hussain holds a PhD and is the head of the *Shari'a* board of Dubai Islamic Bank and a member of Fatwa and *Shari'a* boards of numerous other leading global Islamic finance institutions including Islamic Development Bank (IDB), Jeddah. For over 50 years, he has advised various central banks and regulators, has supervised the establishment and conversion of various Islamic financial institutions and advised Presidents of various Islamic Republics. He has established Islamic universities/faculties worldwide, including in Makkah, Islamabad, Kazakhstan and Libya. He is member of AAOIFI and the Islamic Financial Services Board, the International Fiqh Academy of the Organisation of the Islamic Conference, the Fiqh Academy of Muslim World League, Saudi Arabia and is also a President of American Muslim Jurists Association. Dr Hussain has authored 21 books and over 400 articles, has supervised translation of the Holy Quran into Russian and of 200 Islamic books into various languages.

*Dr. Mohamed Zoeir*

Dr. Zoeir holds a PhD in Islamic Economy and is a member of many Islamic Banks across the Middle East and Africa. He has authored numerous researches and studies in Islamic Finance and banking. Dr. Zoeir is also *Shari'a* inspector, Secretary General of Board of *Shari'a* at Dubai Islamic Bank, Chief Editor of Islamic Economics magazine.

*Dr. Muhammad Qaseem*

Dr. Muhammad Qaseem holds a PhD (Islamic Studies) from the Faculty of Usul ud Din, is the country head of *Shari'a* board of Dubai Islamic Bank Pakistan Limited (DIBPL) and has served as *Shari'a* board member of many other institutions. He also has written various articles on Islamic Banking. He has also been teaching various courses in various BA and MA programmes at the International Islamic University, Islamabad (IIUI). Dr. Muhammad Qaseem has many academic contributions, articles and literary and translation work.

*Dr. Muhammad Abdulrahim Sultan Al-Ulama*

Dr. Muhammad Sultan Al-Ulama holds a PhD in Islamic jurisprudence, is an assistant professor in various universities and a member of numerous academic committees. In addition to his contribution to worldwide seminars and conferences in the area of Islamic finance, he has published numerous articles and reports.

*Dr. Youssif Abdullah bin Saleh Al Shibly*

Dr. Youssif Al Shibly holds a PhD and is a comparative Fiqh professor in Saudi Arabia. He has contributed and presented many courses and training sessions to judges in Saudi Arabia. Dr. Al Shibly has also worked in Islamic institution in Washington, served as *Shari'a* board member of many other institutions and has published more than 17 reports and researches.

***The First Abu Dhabi Bank Internal Shariah Supervision Committee***

*Professor Dr Abdul Aziz Al Qassar*

Prof. Dr. Abdul Aziz Al Qassar is a Professor of Comparative Jurisprudence at the Faculty of *Shari'a* and Islamic Studies at Kuwait University; he received a doctorate degree in comparative jurisprudence from the Faculty of *Shari'a* and Law at Al-Azhar University in Cairo in 1997.

As a faculty member at the Faculty of *Shari'a* and Islamic Studies at Kuwait University from 1997 to this time, he served as Associate Dean for Academic Affairs and Graduate Studies and Research at the Faculty of *Shari'a* and Islamic Studies at Kuwait University from the period 2001-2005, and a member of the Fatwa and *Shari'a* in many institutions and Islamic banks in Kuwait and abroad, a lecturer in Islamic finance, has many research and religious studies in Islamic jurisprudence and contemporary financial transactions.



*Dr. Mohamed A. Elgari*

See biography above under "*The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.*".

*Dr. Mohd Daud Bakar*

Dr. Daud is the Founder and Group Chairman of Amanie Advisors, a global boutique *Shari'a* advisory firm with offices located in Kuala Lumpur, Dubai, Luxembourg, Cairo, Kazakhstan, Oman, Australia, South Korea and Dublin. He is also the founder and chairman of Amanie Nexus Sdn Bhd (Kuala Lumpur). Prior to this; he was the deputy vice-chancellor at the International Islamic University Malaysia. He received his first degree in *Shari'a* from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he went on to complete his external Bachelor of Jurisprudence at University of Malaya. He has published a number of articles in various academic journals and has made many presentations in various conferences both local and overseas.

Dr Daud is currently the chairman of the *Shariah* Advisory Council of the Central Bank of Malaysia, the SACSC and the *Shariah* Supervisory Council of Labuan Financial Services Authority. He is also a member of the *Shariah* Board of Dow Jones Islamic Market Index (New York), Oasis Asset Management (Cape Town, South Africa), The National Bank of Oman, Financial Guidance (USA), BNP Paribas (Bahrain), Morgan Stanley (Dubai), Jadwa-Russell Islamic Fund (Kingdom of Saudi Arabia), Bank of London and Middle East (London), Noor Islamic Bank (Dubai), Islamic Bank of Asia (Singapore), and in other financial institutions both local and abroad. Apart from that, Dr Mohd Daud is also actively advising, locally and overseas, on capital markets product structuring such as sukuk. Recently, Dr Mohd Daud has been honoured with "The Asset Triple A Industry Leadership Award" at The Asset Triple A Islamic Finance Award 2014 by The Asset magazine and been named as the recipient of the "Tokoh Perdana" (Most Outstanding Individual) award in conjunction with the national-level Maulidur Rasul 1435 Hijrah/2014 (Prophet Muhammad's birthday) granted by Yang Di-Pertuan Agong Tuanku Abdul Halim Mu'adzam Shah, His Majesty the King of Malaysia.

***The Central Shariah Committee of HSBC Bank Middle East Limited***

*Dr Nizam Yaquby*

See biography above under "*The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.*".

*Dr. Mohamed A. Elgari*

See biography above under "*The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.*".

*Dr. Aznan Hasan*

Dr. Aznan Hasan is an Associate Professor in Islamic Law at Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia and has taught Islamic law there since 2003. He is also President of the Association of *Shariah* Advisors in Islamic Finance and has been Deputy Chairman of the *Shariah* Advisory Council, Securities Commission of Malaysia since July 2010. He was a member of the *Shariah* Advisory Council, Bank Negara Malaysia (from November 2006 to August 2008 and from November 2010 to October 2013). He is also the Chairman of the *Shariah* Supervisory Board, *Shariah* Advisory Committee, Barclays DIFC (April 2011 to present). He is *Shari'a* adviser to Maybank Islamic in Malaysia and has been advising ABSA Islamic Banking, South Africa since July 2010.

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**DP World PLC  
and its subsidiaries**

**Condensed consolidated  
interim financial statements**  
*30 June 2019*

# DP World PLC and its subsidiaries

## **Condensed consolidated interim financial statements**

*for the six months ended 30 June 2019*

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**Independent Auditors' Report on Review of Condensed Consolidated Interim  
Financial Statements**

The Shareholders  
DP World PLC

**Introduction**

We have reviewed the accompanying condensed consolidated statement of financial position of DP World PLC ("the Company") and its subsidiaries (collectively referred to as "the Group") at 30 June 2019, the condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes, comprising significant accounting policies and other explanatory information ("the condensed consolidated interim financial statements").

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2019 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG LLP

Richard Ackland  
Registration No.: 1015  
Dubai, United Arab Emirates  
Date: 22 August 2019

# DP World PLC and its subsidiaries

## Condensed consolidated statement of profit or loss (unaudited)

	Note	Period ended 30 June 2019			Period ended 30 June 2018		
		Before separately disclosed items	Separately disclosed items (Note 8)	Total	Before separately disclosed items	Separately disclosed items (Note 8)	Total
		USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	6	3,463,246	-	3,463,246	2,625,599	-	2,625,599
Cost of sales		(1,920,386)	-	(1,920,386)	(1,411,079)	-	(1,411,079)
<b>Gross profit</b>		<b>1,542,860</b>	<b>-</b>	<b>1,542,860</b>	<b>1,214,520</b>	<b>-</b>	<b>1,214,520</b>
General and administrative expenses		(487,076)	(12,561)	(499,637)	(364,228)	-	(364,228)
Other income		17,575	-	17,575	24,701	-	24,701
Loss on disposal and change in ownership of business		-	(55,622)	(55,622)	-	-	-
Share of profit/ (loss) from equity-accounted investees (net of tax)	15	86,490	-	86,490	87,853	(5,744)	82,109
<b>Results from operating activities</b>		<b>1,159,849</b>	<b>(68,183)</b>	<b>1,091,666</b>	<b>962,846</b>	<b>(5,744)</b>	<b>957,102</b>
Finance income		54,202	13,953	68,155	63,729	65,017	128,746
Finance costs		(372,627)	(18,975)	(391,602)	(292,264)	(10,906)	(303,170)
<b>Net finance costs</b>		<b>(318,425)</b>	<b>(5,022)</b>	<b>(323,447)</b>	<b>(228,535)</b>	<b>54,111</b>	<b>(174,424)</b>
<b>Profit before tax</b>		<b>841,424</b>	<b>(73,205)</b>	<b>768,219</b>	<b>734,311</b>	<b>48,367</b>	<b>782,678</b>
Income tax expense	7	(88,016)	-	(88,016)	(105,722)	-	(105,722)
<b>Profit for the period</b>		<b>753,408</b>	<b>(73,205)</b>	<b>680,203</b>	<b>628,589</b>	<b>48,367</b>	<b>676,956</b>
<b>Profit attributable to:</b>							
Owners of the Company		752,619	(71,477)	681,142	593,444	48,367	641,811
Non-controlling interests		789	(1,728)	(939)	35,145	-	35,145
		753,408	(73,205)	680,203	628,589	48,367	676,956
<b>Earnings per share</b>							
Basic earnings per share – US cents	10	90.68		82.07	71.50		77.33
Diluted earnings per share – US cents	10	87.81		79.28	69.50		69.10

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

# DP World PLC and its subsidiaries

## Condensed consolidated statement of other comprehensive income (unaudited)

		30 June 2019	30 June 2018
	<i>Note</i>	USD'000	USD'000
<b>Profit for the period</b>		<b>680,203</b>	676,956
<b>Other comprehensive income</b>			
<b><i>Items that are or may be reclassified subsequently to profit or loss:</i></b>			
Foreign exchange translation differences – foreign operations*		(7,738)	(290,574)
Reclassification of foreign currency differences on disposal and change in ownership business		38,277	-
Share of other comprehensive income of equity-accounted investees	15	(3,041)	(641)
Cash flow hedges – effective portion of changes in fair value		(20,427)	7,369
Related tax on changes in fair value of cash flow hedges		2,250	(3,102)
<b><i>Items that will never be reclassified to profit or loss:</i></b>			
Equity instruments at fair value through other comprehensive income – net change in fair value		-	(21,885)
Re-measurements of post-employment benefit obligations		(4,478)	21,099
Related tax		956	(2,984)
<b>Other comprehensive income for the period, net of tax</b>		<b>5,799</b>	(290,718)
<b>Total comprehensive income for the period</b>		<b>686,002</b>	386,238
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		690,145	371,320
Non-controlling interests		(4,143)	14,918
		<b>686,002</b>	386,238

\* A significant portion of this includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level. The translation differences arising on account of translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's presentation currency are also reflected here. There are no differences on translation from functional to presentation currency as the Company's functional currency is pegged to the presentation currency.

*The accompanying notes form an integral part of these condensed consolidated interim financial statements.*

# DP World PLC and its subsidiaries


## Condensed consolidated statement of financial position (unaudited)

		30 June 2019	31 December 2018
	Note	USD'000	USD'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	9,931,531	8,960,782
Right-of-use asset	12	1,956,210	-
Investment properties	13	1,678,389	1,622,130
Intangible assets and goodwill	14	9,886,485	8,833,151
Investment in equity-accounted investees	15	2,067,514	2,101,425
Other investments		185,163	51,078
Accounts receivable and prepayments		646,366	574,570
<b>Total non-current assets</b>		<b>26,351,658</b>	<b>22,143,136</b>
<b>Current assets</b>			
Inventories		134,086	115,590
Properties held for development and sale	16	263,343	261,724
Accounts receivable and prepayments		1,566,183	1,378,179
Cash and cash equivalents	17	2,049,806	2,614,710
<b>Total current assets</b>		<b>4,013,418</b>	<b>4,370,203</b>
<b>Total assets</b>		<b>30,365,076</b>	<b>26,513,339</b>
<b>Equity</b>			
Share capital	20	1,660,000	1,660,000
Share premium	20	2,472,655	2,472,655
Shareholders' reserve		2,000,000	2,000,000
Retained earnings		7,639,914	7,712,784
Translation reserve		(1,945,787)	(1,976,051)
Other reserves	21	(579,451)	(558,190)
<b>Total equity attributable to equity holders of the Company</b>		<b>11,247,331</b>	<b>11,311,198</b>
<b>Non-controlling interests</b>		<b>880,759</b>	<b>687,720</b>
<b>Total equity</b>		<b>12,128,090</b>	<b>11,998,918</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	22	12,363,645	10,065,388
Loans from non-controlling shareholders	23	487,981	132,236
Accounts payable and accruals		355,913	345,467
Deferred tax liabilities		947,118	886,173
Employees' end of service benefits		168,297	159,233
Pension and post-employment benefits		162,172	157,082
<b>Total non-current liabilities</b>		<b>14,485,126</b>	<b>11,745,579</b>
<b>Current liabilities</b>			
Interest bearing loans and borrowings	22	1,130,179	354,375
Loans from non-controlling shareholders	23	1,000	1,000
Accounts payable and accruals		2,476,898	2,305,727
Income tax liabilities		68,621	100,674
Pension and post-employment benefits		75,162	7,066
<b>Total current liabilities</b>		<b>3,751,860</b>	<b>2,768,842</b>
<b>Total liabilities</b>		<b>18,236,986</b>	<b>14,514,421</b>
<b>Total equity and liabilities</b>		<b>30,365,076</b>	<b>26,513,339</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements were authorised for issue on 22 August 2019.

  
Sultan Ahmed Bin Sulayem  
Chairman and Chief Executive Officer

  
Yuvraj Narayan  
Group Chief Financial Officer



# DP World PLC and its subsidiaries

## Condensed consolidated statement of changes in equity (unaudited)

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital and premium	Shareholders' reserve	Retained earnings	Translation reserve	Other reserves	Total		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000		
Balance as at 1 January 2018	4,132,655	2,000,000	6,759,367	(1,503,980)	(573,881)	10,814,161	811,201	11,625,362
Profit for the period	-	-	641,811	-	-	641,811	35,145	676,956
Other comprehensive income, net of tax	-	-	-	(270,989)	498	(270,491)	(20,227)	(290,718)
Transactions with owners, recognised directly in equity								
Dividends paid (refer to note 9)	-	-	(340,300)	-	-	(340,300)	-	(340,300)
Transactions with non-controlling interests, recognised directly in equity								
Contributions by non-controlling interests	-	-	-	-	-	-	110,625	110,625
Non-controlling interests created on acquisition of subsidiaries	-	-	-	-	-	-	19,464	19,464
Dividends paid	-	-	-	-	-	-	(25,125)	(25,125)
Non-controlling interests derecognised on deconsolidation of subsidiaries	-	-	-	-	-	-	(266,593)	(266,593)
Balance as at 30 June 2018	4,132,655	2,000,000	7,060,878	(1,774,969)	(573,383)	10,845,181	664,490	11,509,671
<b>Balance as at 1 January 2019</b>	<b>4,132,655</b>	<b>2,000,000</b>	<b>7,712,784</b>	<b>(1,976,051)</b>	<b>(558,190)</b>	<b>11,311,198</b>	<b>687,720</b>	<b>11,998,918</b>
Adjustment on initial application of IFRS 16 (net of tax)	-	-	(396,652)	-	-	(396,652)	(16,399)	(413,051)
<b>Adjusted balance as at 1 January 2019</b>	<b>4,132,655</b>	<b>2,000,000</b>	<b>7,316,132</b>	<b>(1,976,051)</b>	<b>(558,190)</b>	<b>10,914,546</b>	<b>671,321</b>	<b>11,585,867</b>
Profit for the period	-	-	681,142	-	-	681,142	(939)	680,203
Other comprehensive income, net of tax	-	-	-	30,264	(21,261)	9,003	(3,204)	5,799
Transactions with owners, recognised directly in equity								
Dividends paid (refer to note 9)	-	-	(356,900)	-	-	(356,900)	-	(356,900)
Change in ownership of subsidiaries without loss of control (refer to note 27)	-	-	(460)	-	-	(460)	227,993	227,533
Transactions with non-controlling interests, recognised directly in equity								
Non-controlling interests created on acquisition of subsidiaries (refer to note 27)	-	-	-	-	-	-	3,469	3,469
Dividends paid	-	-	-	-	-	-	(17,881)	(17,881)
<b>Balance as at 30 June 2019</b>	<b>4,132,655</b>	<b>2,000,000</b>	<b>7,639,914</b>	<b>(1,945,787)</b>	<b>(579,451)</b>	<b>11,247,331</b>	<b>880,759</b>	<b>12,128,090</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

# DP World PLC and its subsidiaries

## Condensed consolidated statement of cash flows (unaudited)

		30 June 2019	30 June 2018
	Note	USD'000	USD'000
<b>Cash flows from operating activities</b>			
Gross cash flows from operations	17	1,518,733	1,234,198
Changes in:			
Inventories		(14,339)	(5,070)
Accounts receivable and prepayments		(370,411)	(66,858)
Accounts payable and accruals		(10,737)	(174,911)
Properties held for development and sale		(1,619)	(6,791)
Provisions, pensions and post-employment benefits		51,240	(1,370)
<b>Cash generated from operating activities</b>		<b>1,172,867</b>	<b>979,198</b>
Income taxes paid		(127,267)	(109,246)
<b>Net cash from operating activities</b>		<b>1,045,600</b>	<b>869,952</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	11	(556,284)	(420,948)
Additions to investment properties	13	(75,484)	(14,299)
Additions to port concession rights	14	(3,942)	(3,518)
Additions to other investments		(52,500)	(15,000)
Proceeds from other investments		13,495	-
Proceeds from disposal of property, plant and equipment and port concession rights		15,006	17,992
Proceeds from disposal of stake in equity-accounted investee		41,337	-
Proceeds from disposal of stake in a subsidiary without change in control		227,533	-
Net cash paid on acquisition of subsidiaries		(646,026)	(569,034)
Cash outflow on deconsolidation of a subsidiary		-	(112,500)
Interest received		34,210	23,730
Dividend received from equity-accounted investees	15	37,481	89,229
Net loans given to equity-accounted investees		-	(3,407)
<b>Net cash used in investing activities</b>		<b>(965,174)</b>	<b>(1,007,755)</b>
<b>Cash flows from financing activities</b>			
Repayment of interest bearing loans and borrowings	22	(174,708)	(295,392)
Redemption of sukuk	22	(232,014)	-
Drawdown of interest bearing loans and borrowings	22	389,770	975,489
Interest paid		(249,032)	(235,762)
Dividend paid to the owners of the Company	9	(356,900)	(340,300)
Contribution from non-controlling interests		-	110,625
Dividend paid to non-controlling interests		(17,881)	(25,125)
<b>Net cash (used in)/ from financing activities</b>		<b>(640,765)</b>	<b>189,535</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(560,339)</b>	<b>51,732</b>
Cash and cash equivalents as at 1 January		2,614,710	1,483,679
Effect of exchange rate fluctuations on cash held		(4,565)	(23,248)
<b>Cash and cash equivalents as at 30 June</b>	17	<b>2,049,806</b>	<b>1,512,163</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

# DP World PLC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

### 1. Corporate information

DP World PLC (“the Company”) was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre (“DIFC”) under the Companies Law, DIFC Law No. 3 of 2006. These financial statements comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interests in equity-accounted investees. The Group is engaged in the business of development and management of international marine and inland terminal operations, maritime services, maritime transport, industrial parks, economic zones, logistics, associated land development and ancillary services to technology-driven trade solutions.

Port & Free Zone World FZE (“the Parent Company”), which originally held 100% of the Company’s issued and outstanding share capital, made an initial public offering of 19.55% of its share capital to the public and the Company was listed on the Nasdaq Dubai with effect from 26 November 2007. The Company was further admitted to trade on the London Stock Exchange with effect from 1 June 2011 and voluntarily delisted from the London Stock Exchange on 21 January 2015.

Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation (“the Ultimate Parent Company”).

The Company’s registered office address is P.O. Box 17000, Dubai, United Arab Emirates.

### 2. Basis for preparation of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2018.

The condensed consolidated interim financial statements were approved by the Board of Directors on 22 August 2019.

### 3. Changes in significant accounting policies

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2018.

The changes in accounting policies are also expected to be reflected in the Group’s consolidated financial statements as at and for the year ending 31 December 2019.

The Group has adopted *IFRS 16 Leases* from its effective date 1 January 2019.

# DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

## 3. Changes in significant accounting policies (continued)

### *IFRS 16 Leases*

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains same as earlier.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated. The details of the changes in accounting policies are disclosed below.

#### **(a) Definition of lease**

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

#### **(b) Group as a lessee**

The Group leases mainly include concession rights to operate port terminals and related properties.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all leases – i.e. these leases are on-balance sheet.

The Group presents right-of-use assets separately on its statement of financial position and includes related lease liabilities under interest bearing loans and borrowings.

# DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

## 3. Changes in significant accounting policies (*continued*)

### *IFRS 16 Leases (continued)*

#### (b) Group as a lessee (*continued*)

##### *i. Significant accounting policies*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated amortisation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

##### *ii. Transition*

Previously, the Group classified concession agreements as operating leases under IAS 17. These leases typically run for a period of 25 - 99 years. Some leases include an option to renew the lease for an additional period after the end of the non-cancellable period. Some leases provide for additional rent payments that are based on changes in local price indices.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group also used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

# DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

## 3. Changes in significant accounting policies (*continued*)

### *IFRS 16 Leases (continued)*

#### (c) Group as a lessor

The Group leases out its investment property. The Group has classified these leases as operating leases.

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it is a lessor.

#### (d) Transition impacts on financial statements

##### *i. Impacts on transition*

On transition to IFRS 16, the Group recognised additional right-of-use assets, including investment property and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

	<b>1 January 2019</b> <b>USD'000</b>
Right-of -use asset	<b>1,527,761</b>
Deferred tax asset/ current tax	<b>22,293</b>
Retained earnings	<b>396,652</b>
Non-controlling interests	<b>16,399</b>
Investment in equity-accounted investees	<b>(47,574)</b>
Lease liabilities	<b>(1,915,531)</b>

For measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019 which were in the range of 4% per annum to 12% per annum.

	<b>1 January 2019</b> <b>USD'000</b>
Operating lease commitments at 31 December 2018	<b>7,816,542</b>
Discounted using the lessee's incremental borrowing rate at 1 January 2019	<b>1,915,531</b>
Add: finance lease liabilities recognised as at 31 December 2018	<b>23,207</b>
Total lease liability recognised as at 1 January 2019	<b>1,938,738</b>

##### *ii. Impacts for the interim period*

Due to application of IFRS 16, the Group has recognised amortisation and interest costs, instead of operating lease expense. During the six months ended 30 June 2019, the Group recognised USD 60,357 thousand of amortisation charge and USD 66,740 thousand of interest costs from these leases.

# DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

## **4. Use of estimates and judgements**

The preparation of the condensed consolidated interim financial statements, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2018, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 16 which are described in Note 3.

## **5. Segment information**

The Group has identified the following geographic areas as its basis of segmentation. The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA").

- Asia Pacific and Indian subcontinent
- Australia and Americas
- Middle East, Europe and Africa

Each of these operating segments have an individual appointed as Segment Director responsible for these segments, who in turn reports to the Chief Operating Decision Maker. In addition to the above reportable segments, the Group reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment.

The Group measures segment performance based on Adjusted EBITDA.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, investment properties, and port concession rights other than goodwill.

Information regarding the results of each reportable segment is included below.

## DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

### 5. Segment information (continued)

The following table presents certain results, assets and liabilities information regarding the Group's segments as at the reporting date:

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	<b>326,019</b>	269,958	<b>628,938</b>	430,467	<b>2,508,289</b>	1,925,174	-	-	-	-	<b>3,463,246</b>	2,625,599
Adjusted EBITDA	<b>183,367</b>	226,884	<b>188,178</b>	166,444	<b>1,362,316</b>	998,270	<b>(122,586)</b>	(70,083)	-	-	<b>1,611,275</b>	1,321,515
Finance income	-	-	-	-	-	-	<b>54,202</b>	63,729	-	-	<b>54,202</b>	63,729
Finance costs	-	-	-	-	-	-	<b>(372,627)</b>	(292,264)	-	-	<b>(372,627)</b>	(292,264)
Tax expense	-	-	-	-	-	-	<b>(88,016)</b>	(105,722)	-	-	<b>(88,016)</b>	(105,722)
Depreciation and amortisation	<b>(46,782)</b>	(45,303)	<b>(95,681)</b>	(57,841)	<b>(304,494)</b>	(250,535)	<b>(4,469)</b>	(4,990)	-	-	<b>(451,426)</b>	(358,669)
Adjusted net profit/ (loss) for the period before separately disclosed items	<b>136,585</b>	181,581	<b>92,497</b>	108,603	<b>1,057,822</b>	747,735	<b>(533,496)</b>	(409,330)	-	-	<b>753,408</b>	628,589
Adjusted for separately disclosed items	<b>(31,112)</b>	-	<b>(31,072)</b>	-	<b>(6,000)</b>	(5,744)	<b>(5,021)</b>	54,111	-	-	<b>(73,205)</b>	48,367
Profit/ (loss) for the period	<b>105,473</b>	181,581	<b>61,425</b>	108,603	<b>1,051,822</b>	741,991	<b>(538,517)</b>	(355,219)	-	-	<b>680,203</b>	676,956

The balances pertaining to 31 December 2018 for Asia Pacific and Indian subcontinent segment has been restated due to internal restructuring and accordingly a subsidiary has moved from Asia Pacific and Indian subcontinent segment to Middle East, Europe and Africa segment during the period. However, this does not have an impact on the previously reported net assets, total equity, and the profit or loss and other comprehensive income.

Net finance cost and tax expense from various geographical locations and head office have been grouped under head office.



# DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

## 5. Segment information (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Segment assets	4,250,182	4,306,520	5,813,922	2,935,015	22,109,113	19,485,462	13,846,605	14,063,935	(15,654,746)	(14,277,593)	30,365,076	26,513,339
Segment liabilities	467,323	436,646	2,478,827	725,366	8,469,447	6,424,168	12,077,692	11,345,791	(6,272,042)	(5,404,397)	17,221,247	13,527,574
Tax liabilities *	-	-	-	-	-	-	1,015,739	986,847	-	-	1,015,739	986,847
Total liabilities	467,323	436,646	2,478,827	725,366	8,469,447	6,424,168	13,093,431	12,332,638	(6,272,042)	(5,404,397)	18,236,986	14,514,421
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Capital expenditure	20,145	23,318	216,613	108,193	373,623	276,124	25,329	31,130	-	-	635,710	438,765
Depreciation	23,066	21,568	61,117	42,852	197,580	188,763	4,380	4,990	-	-	286,143	258,173
Amortisation and impairment	23,716	30,638	34,564	14,989	113,914	54,869	89	-	-	-	172,283	100,496
Share of profit of equity-accounted investees before separately disclosed items	67,422	64,849	9,865	3,617	9,203	19,387	-	-	-	-	86,490	87,853
Tax expense *	-	-	-	-	-	-	88,016	105,722	-	-	88,016	105,722
<i>Revenue consists of:</i>												
Revenue from ports and terminals	251,401	256,224	508,861	384,122	1,560,876	1,299,803	-	-	-	-	2,321,138	1,940,149
Drydocking, maritime and logistics services	74,618	13,734	120,077	46,345	656,086	333,416	-	-	-	-	850,781	393,495
Lease rentals and services from economic zones	-	-	-	-	291,327	291,955	-	-	-	-	291,327	291,955
Total revenue	326,019	269,958	628,938	430,467	2,508,289	1,925,174	-	-	-	-	3,463,246	2,625,599

\*Tax liabilities and tax expenses from various geographical locations have been grouped under head office.

# DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

## 6. Revenue

	Six months ended 30 June 2019	Six months ended 30 June 2018
	USD'000	USD'000
<i>Revenue consists of:</i>		
Revenue from ports and terminals *	2,321,138	1,940,149
Drydocking, maritime and logistics services	850,781	393,495
Lease rentals and services from economic zones	291,327	291,955
<b>Total</b>	<b>3,463,246</b>	<b>2,625,599</b>

\* This includes sale of plot of land to Emaar Development PJSC ("Emaar") for a development project in Port Rashid in Dubai. Emaar will utilise this land for developing the Mina Rashid area and the Group will receive USD 450,000 thousand between the fourth and ninth year after commencement of operations in six equal instalments of USD 75,000 thousand. The transaction was completed in June 2019 with the transfer of control of land to Emaar and accordingly the Group has recorded a revenue of USD 300,829 thousand (at discounted value of the deferred sales consideration).

## 7. Income tax

The Group's effective tax rate is as below:

	Six months ended 30 June 2019	Six months ended 30 June 2018
Before separately disclosed items	13.32%	16.89%
Including separately disclosed items	13.60%	15.88%

## 8. Separately disclosed items

	Six months ended 30 June 2019	Six months ended 30 June 2018
	USD'000	USD'000
<b>General and administrative expenses</b>		
Acquisition costs	(5,561)	-
Impairment of asset	(7,000)	-
Share of loss from equity-accounted investees	-	(5,744)
Loss on disposal and change in ownership of business	(55,622)	-
<b>Finance income</b>		
Change in fair value of convertible bond option	13,953	62,733
Ineffective interest rate swap gain	-	2,284
<b>Finance costs</b>		
Interest accretion on convertible bond	(11,424)	(10,906)
Ineffective interest rate swap loss	(7,551)	-
<b>Total</b>	<b>(73,205)</b>	<b>48,367</b>

# DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

## 8. Separately disclosed items (continued)

**General and administrative expenses** represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group and impairment of an asset in the 'Middle East, Europe and Africa' region.

**Share of loss from equity-accounted investees** in 2018 related to the transaction costs written off in an equity-accounted investee in the 'Middle East, Europe and Africa' region due to extinguishment of debt.

**Loss on disposal and change in ownership of business** relates to the loss on disposal of equity-accounted investees in the 'Asia Pacific and Indian subcontinent' region and the loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the 'Australia and Americas' region.

**Change in fair value of convertible bond option** relates to the movement in fair value of the embedded derivative liability of the convertible bonds.

**Interest accretion on convertible bond** represents the accretion of the liability component as at the reporting date representing an amount that will be payable on redemption of the convertible bond.

**Ineffective interest rate swap** relates to ineffective element of derivatives in subsidiaries in the 'Asia Pacific and Indian subcontinent' region and 'Middle East, Europe and Africa' region.

## 9. Dividend paid

Dividends relating to 2018 amounting to USD 356,900 thousand were paid during the period ended 30 June 2019 (30 June 2018: USD 340,300 thousand).

# DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

## 10. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	Before separately disclosed items	Adjusted for separately disclosed items	Before separately disclosed items	Adjusted for separately disclosed items
	USD'000	USD'000	USD'000	USD'000
Profit attributable to the ordinary shareholders of the Company (a)	752,619	681,142	593,444	641,811
Add/ (deduct): costs/ (income) related to convertible bonds saved as a result of the conversion	9,488	6,959	9,428	(42,399)
<b>Profit attributable to the ordinary shareholders of the Company after conversion (b)</b>	<b>762,107</b>	<b>688,101</b>	<b>602,872</b>	<b>599,412</b>
Weighted average number of basic shares outstanding as at 31 December (c)	830,000	830,000	830,000	830,000
Weighted average numbers of shares due to conversion of convertible bond	37,930	37,930	37,476	37,476
<b>Total weighted average number of ordinary shares (diluted) outstanding – (d)</b>	<b>867,930</b>	<b>867,930</b>	<b>867,476</b>	<b>867,476</b>
<b>Basic earnings per share US cents – (a/c)</b>	<b>90.68</b>	<b>82.07</b>	<b>71.50</b>	<b>77.33</b>
<b>Diluted earnings per share US cents – (b/d)</b>	<b>87.81</b>	<b>79.28</b>	<b>69.50</b>	<b>69.10</b>

## 11. Property, plant and equipment

During the six month period ended 30 June 2019, the Group added property, plant and equipment amounting to USD 556,284 thousand (30 June 2018: USD 420,948 thousand) and acquired through business combination property, plant and equipment of USD 707,149 thousand (30 June 2018: 273,339).

The depreciation on property, plant and equipment during the six month period ended 30 June 2019 amounted to USD 262,915 thousand (30 June 2018: USD 233,882 thousand).

Assets with a net carrying amount of USD 14,515 thousand were disposed by the Group during the six month period ended 30 June 2019 (30 June 2018: USD 18,528 thousand), resulting in a profit on disposal of USD 491 thousand (30 June 2018: loss of USD 536 thousand).

## 12. Right-of-use assets

On 1 January 2019, the adoption of IFRS 16 has resulted in recognition of right-of-use assets amounting to USD 1,527,761 thousand. The Group has also acquired right-of-use assets through business combinations of USD 469,526 thousand.

During the six month period ended 30 June 2019, the Group has incurred an amortisation charge of USD 60,357 thousand (30 June 2018: Nil).

# DP World PLC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

## 13. Investment properties

During the six month period ended 30 June 2019, the Group added investment properties amounting to USD 75,484 thousand (30 June 2018: USD 14,299 thousand). The Group acquired investment properties through business combinations of USD 3,594 thousand (30 June 2018: 408,491).

During the six month period ended 30 June 2019, the Group has incurred a depreciation charge of USD 23,228 thousand (30 June 2018: USD 24,291 thousand).

## 14. Intangible assets and goodwill

### *Port concession rights*

During the six month period ended 30 June 2019, the Group acquired port concession rights amounting to USD 3,942 thousand (30 June 2018: USD 3,518 thousand). The Group has also acquired intangible assets which mainly comprises of port concession rights of USD 909,372 thousand from business combinations (30 June 2018: USD 533,215 thousand).

The amortisation of port concession rights during the six month period ended 30 June 2019 amounted to USD 90,344 thousand (30 June 2018: USD 85,915 thousand).

### *Goodwill*

During the six month period ended 30 June 2019 the reduction in goodwill represents the impact of foreign currency translation of USD 2,655 thousand (30 June 2018: USD 52,812 thousand).

The Group recognised goodwill through business combinations of USD 273,456 thousand (30 June 2018: Nil).

### *Land-use rights*

The amortisation of land-use rights during the six months period ended 30 June 2019 amounted to USD 14,582 thousand (30 June 2018: USD 14,582 thousand).

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 15. Investment in equity-accounted investees

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value adjustments (using income approach model) at acquisition together with the carrying amount of the Group's interest in equity-accounted investees as included in the condensed consolidated interim statement of financial position:

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Total	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	583,432	528,727	91,688	172,335	238,955	308,196	914,075	1,009,258
Other current assets	355,488	283,398	80,074	142,351	269,406	256,118	704,968	681,867
Non-current assets	5,830,176	6,006,312	656,855	1,798,701	3,401,656	2,710,080	9,888,687	10,515,093
<b>Total assets</b>	<b>6,769,096</b>	<b>6,818,437</b>	<b>828,617</b>	<b>2,113,387</b>	<b>3,910,017</b>	<b>3,274,394</b>	<b>11,507,730</b>	<b>12,206,218</b>
Current financial liabilities	48,732	30,912	2,138	2,016	60,500	33,438	111,370	66,366
Other current liabilities	432,580	469,995	49,264	191,520	312,378	316,002	794,222	977,517
Non-current financial liabilities	970,384	731,162	330,499	1,485,084	1,422,958	742,111	2,723,841	2,958,357
Other non-current liabilities	461,981	571,602	36,181	43,289	389,585	400,004	887,747	1,014,895
<b>Total liabilities</b>	<b>1,913,677</b>	<b>1,803,671</b>	<b>418,082</b>	<b>1,721,909</b>	<b>2,185,421</b>	<b>1,491,555</b>	<b>4,517,180</b>	<b>5,017,135</b>
<b>Net assets (100%)</b>	<b>4,855,419</b>	<b>5,014,766</b>	<b>410,535</b>	<b>391,478</b>	<b>1,724,596</b>	<b>1,782,839</b>	<b>6,990,550</b>	<b>7,189,083</b>
<b>Group's share of net assets in equity-accounted investees</b>							<b>2,067,514</b>	<b>2,101,425</b>
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	698,692	734,504	103,248	310,384	421,174	436,792	1,223,114	1,481,680
Depreciation and amortisation	(134,712)	(144,550)	(12,248)	(34,724)	(61,279)	(59,049)	(208,239)	(238,323)
Other expenses	(261,658)	(286,860)	(43,448)	(226,319)	(298,389)	(308,010)	(603,495)	(821,189)
Finance costs	(41,001)	(34,273)	(19,639)	(73,110)	(35,542)	(42,823)	(96,182)	(150,206)
Finance income	14,937	9,092	1,390	1,299	310	567	16,637	10,958
Income tax expense	(66,486)	(68,484)	(1,269)	2,927	(7,275)	1,955	(75,030)	(63,602)
<b>Net profit/ (loss)</b>	<b>209,772</b>	<b>209,429</b>	<b>28,034</b>	<b>(19,543)</b>	<b>18,999</b>	<b>29,432</b>	<b>256,805</b>	<b>219,318</b>
<b>Group's share of profit (before separately disclosed items)</b>	<b>67,422</b>	<b>64,849</b>	<b>9,865</b>	<b>3,617</b>	<b>9,203</b>	<b>19,387</b>	<b>86,490</b>	<b>87,853</b>
<b>Dividends received</b>							<b>37,481</b>	<b>89,229</b>
<b>Group's share of other comprehensive income</b>							<b>(3,041)</b>	<b>(641)</b>

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 16. Properties held for development and sale

During the six month period ended 30 June 2019, the Group added assets amounting to USD 1,619 thousand (30 June 2018: USD 6,790 thousand).

## 17. Cash and cash equivalents

	<b>30 June 2019</b>	31 December 2018
	<b>USD'000</b>	USD'000
Cash at banks and in hand	<b>1,109,383</b>	713,083
Short-term deposits	<b>890,063</b>	1,862,758
Deposits under lien	<b>50,360</b>	38,869
<b>Cash and cash equivalents for consolidated statement of cash flows</b>	<b>2,049,806</b>	2,614,710

Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates.

The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries. The fair value of cash and cash equivalents approximates to the carrying value due to the short-term maturity of these instruments.

### Cash flow information

		<b>30 June 2019</b>	30 June 2018
	<i>Note</i>	<b>USD'000</b>	USD'000
<b>Cash flows from operating activities</b>			
Profit for the period		<b>680,203</b>	676,956
<i>Adjustments for:</i>			
Depreciation and amortisation	5	<b>451,426</b>	358,669
Impairment loss	8	<b>7,000</b>	-
Share of profit from equity-accounted investees (net of tax)		<b>(86,490)</b>	(82,109)
Finance costs		<b>391,602</b>	303,170
(Gain)/ loss on sale of property, plant and equipment and port concession rights	11	<b>(491)</b>	536
Loss on disposal and change in ownership of business	8	<b>55,622</b>	-
Finance income		<b>(68,155)</b>	(128,746)
Income tax expense		<b>88,016</b>	105,722
<b>Gross cash flows from operations</b>		<b>1,518,733</b>	1,234,198

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 18. Related party transactions

Transactions with related parties included in the condensed consolidated interim financial statements are as follows:

	Ultimate Parent Company	Equity- accounted investees	Other related parties	30 June 2019 Total	Ultimate Parent Company	Equity- accounted investees	Other related parties	30 June 2018 Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b><i>Expenses charged:</i></b>								
Concession fee*	-	-	4,113	4,113	-	-	25,245	25,245
Shared services	-	-	157	157	-	-	280	280
Marine services fee	-	-	6,316	6,316			6,471	6,471
IT services fee	-	-	2,184	2,184			3,128	3,128
Other services	-	-	1,496	1,496	-	-	1,387	1,387
Finance costs	-	-	29,054	29,054	1,238	-	-	1,238
<b><i>Revenue earned:</i></b>								
Revenue	-	-	7,151	7,151	-	22	6,870	6,892
Management fee income	-	7,000	8,720	15,720	-	7,839	9,497	17,336
Finance income	-	5,869	-	5,869	1,799	15,565	-	17,364

\* In the current period, this represents amortisation charge in relation to right-of-use asset pertaining to concession agreement.



# DP World PLC and its subsidiaries

Notes to the consolidated financial statements *(continued)*

## 18. Related party transactions (continued)

The balances with related parties included in the condensed consolidated statement of financial position are as follows:

	Due from related parties		Due to related parties	
	30 June 2019	30 December 2018	30 June 2019	30 December 2018
	USD'000	USD'000	USD'000	USD'000
Ultimate Parent Company	2,396	2,383	1,509	1,605
Parent Company	-	-	5	565
Equity-accounted investees	133,380	375,751	3,078	2,067
Other related parties	34,920	24,872	12,923	11,663
	170,696	403,006	17,515	15,900

The Group has issued guarantees on behalf of equity-accounted investees which are disclosed in note 26.

### Compensation of key management personnel

The remuneration of directors and other key members of the management during the period were as follows:

	30 June 2019	30 June 2018
	USD'000	USD'000
Short-term benefits and bonus	12,031	12,558
Post-retirement benefits	218	194
	12,249	12,752

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 19. Financial instruments

### Fair value versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed consolidated statement of financial position are as follows:

		30 June 2019	30 June 2019	31 December 2018	31 December 2018
	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair Value
		USD'000	USD'000	USD'000	USD'000
<b>FVOCI – Equity instrument</b>	<b>2</b>	<b>19,555</b>	<b>19,555</b>	48,050	48,050
<b>Financial assets at FVTPL</b>					
Equity securities	2	165,608	165,608	3,028	3,028
Convertible debt instrument	2	-	-	90,000	90,000
Derivative instruments for hedging	2	-	-	8,735	8,735
<b>Financials assets carried at amortised cost</b>					
Trade and other receivables *		1,863,404	-	1,637,101	-
Cash and cash equivalents **		2,049,806	-	2,614,710	-
<b>Financial liabilities carried at fair value</b>					
Derivative instruments for hedging	2	(91,437)	(91,437)	(61,021)	(61,021)
Embedded derivative option	2	(119,087)	(119,087)	(133,040)	(133,040)
<b>Financial liabilities carried at amortised cost</b>					
Issued bonds	1	(6,696,912)	(7,596,324)	(6,937,592)	(7,185,042)
Convertible bonds	2	(861,027)	(868,614)	(848,865)	(821,910)
Bank loans **		(3,536,778)	-	(2,610,099)	-
Loans from non-controlling shareholders **		(488,981)	-	(133,236)	-
Lease liabilities **		(2,399,107)	-	(23,207)	-
Trade and other payables *		(2,199,182)	-	(1,964,732)	-

### Fair value hierarchy

The table above analyses assets and liabilities that require or permits fair value measurements or disclosure of fair value measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

\* These financial assets and liabilities have short term maturity and thus, the fair values reported approximate carrying values.

\*\* These financial assets and liabilities carry a variable rate of interest and hence, the fair values reported approximate carrying values.

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 19. Financial instruments (continued)

### Fair value hierarchy (continued)

The fair value of the convertible debt instrument approximates its carrying amount.

The fair value of foreign currency forward exchange contracts and interest rate swaps is based on the bank quotes at the reporting dates. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

The embedded derivative option liability of the convertible bond is fair valued at each reporting date based on the Black and Scholes option pricing model adjusted with market assumptions. The fair value of the host liability component in the convertible bond is arrived at after deducting the fair value of the embedded derivative option liability from the stock exchange quoted closing bid price of the convertible bond as at the reporting date.

The fair value for quoted bonds is based on their market price (including unpaid interest) as at the reporting date. Other loans include term loans and finance leases. These are largely at variable interest rates and therefore, the carrying value normally equates to the fair value.

## 20. Share capital and premium

The share capital of the Company comprises 830,000,000 fully paid shares of USD 2.00 each.

Share premium represents surplus received over and above the nominal cost of the shares issued.

## 21. Other reserves

The following is the breakdown of 'Other reserves' and the movements in these reserves during the period:

	<b>Actuarial reserve</b>	<b>Hedging and other reserves</b>	<b>Total</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Balance as at 1 January 2018	(611,724)	37,843	(573,881)
Other comprehensive income, net of tax	18,115	(17,617)	498
Balance as at 30 June 2018	(593,609)	20,226	(573,383)
Balance as at 1 January 2019	<b>(585,662)</b>	<b>27,472</b>	<b>(558,190)</b>
Other comprehensive income, net of tax	<b>(3,563)</b>	<b>(17,698)</b>	<b>(21,261)</b>
Balance as at 30 June 2019	<b>(589,225)</b>	<b>9,774</b>	<b>(579,451)</b>

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 22. Interest bearing loans and borrowings

	<b>30 June 2019</b>	31 December 2018
	<b>USD'000</b>	USD'000
Issued bonds	<b>6,696,912</b>	6,937,592
Convertible bonds	<b>861,027</b>	848,865
Bank loans	<b>3,536,778</b>	2,610,099
Lease liabilities	<b>2,399,107</b>	23,207
<b>Total</b>	<b>13,493,824</b>	10,419,763
of which:		
Classified as non-current	<b>12,363,645</b>	10,065,388
Classified as current	<b>1,130,179</b>	354,375
of which:		
Secured interest bearing loans and borrowings	<b>2,730,732</b>	2,078,666
Unsecured interest bearing loans and borrowings	<b>10,763,092</b>	8,341,097

The below table provides movement of interest bearing loans and borrowings:

	<b>30 June 2019</b>	30 June 2018
	<b>USD'000</b>	USD'000
Balance at 1 January	<b>10,419,763</b>	7,738,978
<b>Cash flow items</b>		
Acquired through business combinations	<b>1,064,156</b>	647,204
Additional borrowings	<b>389,770</b>	975,489
Repayment of borrowings	<b>(174,708)</b>	(295,392)
Redemption of issued bonds (JAFZ Sukuk)	<b>(232,014)</b>	-
<b>Other non-cash items</b>		
Initial recognition of IFRS 16 lease liabilities	<b>1,915,531</b>	-
Interest accretion on convertible bonds (refer to note 8)	<b>11,424</b>	10,906
Interest on lease liabilities	<b>66,740</b>	-
Transaction cost on convertible bonds amortised	<b>738</b>	678
Fair value changes and transaction cost amortised on convertible bonds	<b>3,454</b>	(9,224)
Translation adjustments	<b>28,970</b>	(92,516)
<b>Total</b>	<b>13,493,824</b>	8,976,123

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 23. Loans from non-controlling shareholders

	2019	2019	2018	2018
	Non-current	Current	Non-current	Current
	USD'000	USD'000	USD'000	USD'000
Loans from non-controlling shareholders	487,981	1,000	132,236	1,000

These loans mainly include USD 470,240 thousand (2018: USD 104,177 thousand) granted by non-controlling shareholders of subsidiaries in the 'Australia and Americas' region. These loans are repayable between 2023 and 2037 at commercial rates.

## 24. Operating leases

### Operating lease commitments – Group as a lessor

Future minimum rentals receivable under non-cancellable operating leases at the reporting date:

	30 June 2019	31 December 2018
	USD'000	USD'000
Within one year	364,268	361,105
Between one to five years	839,790	854,514
More than five years	1,070,324	1,010,247
	2,274,382	2,225,866

The above operating leases (Group as a lessor) mainly consist of commercial properties leased consisting of land, office accommodation, warehouses and staff accommodation. Besides these, certain property, plant and equipment are also leased out by the Group. The leases contain renewal options for additional lease periods and at rental rates based on negotiations or prevailing market rates.

## 25. Capital commitments

	30 June 2019	31 December 2018
	USD'000	USD'000
Estimated capital expenditure contracted at the reporting date	515,243	649,201

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 26. Contingencies

(a) The Group has the following contingent liabilities at the reporting date:

	<b>30 June 2019</b>	31 December 2018
	<b>USD'000</b>	USD'000
Performance guarantees	<b>122,476</b>	113,872
Payment guarantees	<b>54,203</b>	35,903
Letters of credit	<b>3,229</b>	6,821
Guarantees issued on behalf of equity-accounted investees	<b>40,303</b>	42,762

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet these targets.

(b) On 22 February 2018, the Government of Djibouti illegally seized physical control of Doraleh Container Terminal S.A ("DCT") from the Group, who designed, built and operated the terminal following a concession awarded in 2006.

The Group commenced arbitration proceedings before the London Court of International Arbitration ("LCIA") to protect its rights, and/ or to secure damages and compensation for breach or expropriation. In its arbitration award dated 31 July 2018, the LCIA confirmed that the 2006 concession agreement remains valid and binding notwithstanding the laws and decrees subsequently adopted by the Government of Djibouti.

In a further arbitral award on 29 March 2019, the LCIA confirmed that Government of Djibouti must pay to DCT an amount of: (a) USD 88 million (plus compound interest at 3 per cent. per annum) for non-payment of royalties for traffic not transferred to DCT once it became operational; (b) USD 385.7 million (plus simple interest at 3 per cent. per annum) for breach of exclusivity by developing container facilities at Doraleh Multipurpose Terminal, with further damages possible if Doraleh International Container Terminals is built by Government of Djibouti; and (c) reimbursement of legal costs incurred by the Group.

As at the reporting date, the Group will continue to pursue all legal means to defend its right as a shareholder.

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 27. Business combinations

### *Acquisition of new subsidiaries*

- (a) On 28 February 2019, the Group acquired additional 35.25% ownership in DP World Australia (Holding) Pty Ltd ('acquiree'). As a result of this transaction, the Group's equity interest increased from 25% to 60.25%, obtaining control of this entity. The additional 35.25% ownership is acquired by purchasing equity of the acquiree for a nominal value, directly and through a trust and by purchasing loan notes of USD 276,003 thousand from the exiting shareholder's loan.

Taking control of DP World Australia (Holding) Pty Ltd will enable the Group to develop its container terminal operations and ports logistics services across Australia region. The acquisition is also expected to provide reduction in overall operating costs through economies of scale.

The carrying value and fair value of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
<b>Assets</b>		
Property, plant and equipment	462,882	462,882
Port concession rights	456,949	472,329
Right-of-use asset	468,468	468,468
Investment in equity-accounted investees	31,167	31,167
Inventories	4,933	4,933
Accounts receivables and prepayments	63,060	63,060
Bank balances and cash	67,806	67,806
<b>Liabilities</b>		
Pension and post-employment benefits	(68,353)	(68,353)
Interest bearing loans and borrowings	(785,960)	(785,960)
Accounts payable and accruals	(92,886)	(92,886)
Deferred tax liabilities	-	(4,614)
<b>Net assets acquired</b>	608,066	618,832
Less: non-controlling interest recognised on acquisition including shareholder loans		(337,845)
Goodwill arising on acquisition		207,504
<b>Total purchase consideration including existing and assumed new shareholder loans*</b>		488,491
<b>For cash flow statement:</b>		
Cash paid for settlement of existing shareholder loans		(276,003)
Cash acquired on acquisition		67,806
<b>Net cash paid on acquisition</b>		(208,197)

\* This also includes fair value of existing loans amounting to USD 212,488 thousand.

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements *(continued)*

## **27. Business combinations (continued)**

### *Acquisition of new subsidiaries (continued)*

The goodwill is attributable mainly to the skills and technical talent of acquiree's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

The remeasurement to fair value of the Group's existing 25% interest in DP World Australia (Holding) Pty Ltd has resulted in a loss of USD 25,510 thousand which includes derecognition of carrying amount of the existing equity-accounted investee at the date of acquisition and recycling of translation reserve to the statement of profit or loss (refer to note 8).

Acquisition related costs of USD 2,511 thousand were expensed and included in general and administrative expenses. The deferred tax liability relates to fair value adjustments on port concession rights.

The Group has elected to measure the non-controlling interest in the acquiree at fair value. The fair value was arrived using income approach model.



# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 27. Business combinations (*continued*)

### *Acquisition of new subsidiaries (continued)*

- (b) On 5 April 2019, the Group acquired 99.2% stake in Puertos y Logistica S.A. (Pulogsa) in Chile for a purchase consideration of USD 498,898 thousand. Pulogsa is a multipurpose terminal which has long term maritime concessions with freehold land ownership, which handles containers, break-bulk and dry bulk. The port is strategically positioned to benefit from the well-established pulp and lumber industry in Southern Chile, next to the country's second largest city and industrial hub Concepción. This acquisition will allow the Group to serve cargo owners and shipping lines at five key gateways on the west coast of South America in Posorja (Ecuador), Callao and Paita (Peru) and San Antonio and Lirquen (Chile).

The carrying value and fair value of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
<b>Assets</b>		
Property, plant and equipment, net	244,267	244,267
Other intangible assets	221,843	221,843
Port concession rights	-	215,200
Investment properties	3,594	3,594
Right-of-use asset	1,058	1,058
Deferred tax asset	3,804	3,804
Accounts receivables and prepayments	108,434	108,434
Inventories	1,374	1,374
Bank balances and cash	61,069	61,069
<b>Liabilities</b>		
Interest bearing loans and borrowings	(278,196)	(278,196)
Pension and post-employment benefits	(2,677)	(2,677)
Accounts payable and accruals	(55,514)	(55,514)
Deferred tax liabilities	(29,737)	(87,841)
<b>Net assets acquired</b>	<b>279,319</b>	<b>436,415</b>
Less: non-controlling interest recognised on acquisition		(3,469)
Goodwill arising on acquisition		65,952
<b>Total purchase consideration</b>		<b>498,898</b>
<b>For cash flow statement:</b>		
Cash paid on acquisition		(498,898)
Cash acquired on acquisition		61,069
<b>Net cash paid on acquisition</b>		<b>(437,829)</b>

The goodwill is attributable mainly to the skills and technical talent of acquiree's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs of USD 3,050 thousand were expensed and included in general and administrative expenses.

# DP World PLC and its subsidiaries

Notes to the consolidated financial statements (*continued*)

## 27. Business combinations (*continued*)

### *Acquisition of new subsidiaries (continued)*

The deferred tax liability relates to fair value adjustments on port concession rights. The Group has elected to measure the non-controlling interests in the acquiree at the proportionate shares of its interest in the acquiree's identifiable net assets.

On 8 May 2019, Caisse de dépôt et placement du Québec (CDPQ) acquired an effective ownership of 44.64% in Puertos y Logística S.A. for a consideration of USD 227,993 thousand and as a result Group's effective ownership is reduced to 54.56%.

From the acquisition date, these acquisitions have contributed a combined revenue of USD 158,260 thousand and combined operating profit of USD 32,336 thousand to the Group's results. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue would have increased by USD 84,954 thousand and consolidated operating profit for the period would have increased by USD 20,827 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

## 28. Subsequent events

- (a) On 20 February 2019, the Group announced the acquisition of 100% ownership in the holding company of P&O Ferries and P&O Ferrymasters (together P&O Ferries) for a purchase consideration of USD 409 million. P&O Ferries is a pan-European integrated logistics business consisting of: (a) a market leading roll-on roll-off ferries operation; and (b) a European transportation and logistics solutions provider, P&O Ferrymasters. The transaction was completed in July 2019 and the related acquisition accounting is in the process of being completed.
- (b) On 9 May 2019, the Group announced the acquisition of Fraser Surrey Docks from Macquarie Infrastructure Partners (MIP). Fraser Surrey Docks is a large, multi-purpose marine terminal located in the greater Vancouver area of British Columbia, Canada. The acquisition will be effected through DP World's Canadian subsidiary, DP World Canada Investment Inc. which is owned 45% by Caisse de dépôt et placement du Québec (CDPQ) and is subject to customary completion conditions. The acquisition is expected to close before the end of 2019.
- (c) On 23 May 2019, Hindustan Infralog Private Limited (which is a joint venture between the Group and the National Investment and Infrastructure Fund) announced the acquisition of a 76 per cent. stake in KRIBHCO Infrastructure Limited ("KRIL"). KRIL operates three major inland container depots/ private freight terminals at Pali in Haryana (India), Modinagar in Uttar Pradesh (India) and Hazira in Gujarat (India). KRIL also has a strong presence in India's National Capital Region, including a terminal located on a notified double stack route. The transaction is subject to customary completion conditions and is expected to close in the second half of 2019.
- (d) On 1 July 2019, the Group announced the acquisition of 100% of Topaz Energy and Marine Limited ("Topaz") from Renaissance Services SAOG and Standard Chartered Private Equity/ Affirma Capital for an enterprise value of USD 1,079 million. Topaz is a leading international provider of critical marine logistics and solutions to the global energy industry. It operates a modern and versatile fleet of 117 vessels, predominantly in the Caspian Sea, MENA and West Africa regions. The transaction is subject to customary completion conditions and regulatory approvals and is expected to close in the second half of 2019.

DP World PLC  
(formerly DP World Limited)  
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Consolidated financial statements  
*31 December 2018*

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Consolidated financial statements

31 December 2018

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## **Independent Auditors' Report**

To the Shareholders of DP World PLC (formerly DP World Limited)

### **Report on the Audit of the Consolidated Financial Statements**

#### Opinion

We have audited the consolidated financial statements of DP World PLC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre ("DIFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key Audit Matters (continued)**

**Impairment assessment of carrying value of goodwill, port concession rights and other intangible assets**

Refer to notes 3 and 16 of the consolidated financial statements.

The Group has significant goodwill, port concession rights and other intangible assets arising from the acquisition of businesses. The Group's annual impairment testing on goodwill, port concession rights and other intangible assets with indefinite useful lives requires the Group to identify Cash Generating Units (CGUs) in accordance with the requirements of IAS 36 – Impairment of Assets. Impairment testing is then performed using free cash flow projections based on three year financial budgets approved by the Board and a further five year future forecasts estimated by the Group's management. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which forms the basis of the assessment of recoverability, along with the judgemental aspects of the assessment of appropriate CGUs, these are the key areas that our audit concentrated on.

**Our response to address the key audit matter**

Our procedures included:

In respect of the assessment of CGUs: We challenged the identification of CGUs by reference to the Group's operating and management structure, our understanding of the business and requirements of IAS 36 - Impairment of Assets.

In respect of the cash flows: We considered the Group's procedures used to develop the forecasts and the principles and integrity of the Group's discounted cash flow model and re-performed the calculations of the model results to test their mathematical accuracy. To challenge the reasonableness of those cash flow estimates, we assessed the historical accuracy of the Group's forecasting activities and corroborated the forecasts with reference to publicly available information and other evidence that has been made available during the course of the audit. We conducted our own assessments to challenge other key inputs, such as the projected growth rate and terminal value growth rate.

In respect of the discount rates: We compared the Group's assumptions to externally derived data (for example, bond yields and inflation statistics) where appropriate. We used our valuation specialists to assist us in assessing the reasonableness of the significant assumptions used in arriving at the discount rates.

In respect of the sensitivity to key assumptions: We assessed the impact to the calculated recoverable amount of the CGUs by changing discount rates and forecast future cash flows.

We assessed the adequacy of the Group's disclosure in these respects.

## **Key Audit Matters (continued)**

### **Accounting for business acquisitions**

Refer to notes 3 and 24 of the consolidated financial statements.

During the year, the Group has acquired 100% stake in Drydocks World LLC, Dubai Maritime City LLC, Cosmos Agencia Marítima S.A.C., Unifeeder Group, an effective stake of 58.5% in Continental Warehousing Corporation Ltd and a 51% stake in LBS B.V.

For the acquisitions, in accordance with IFRS 3 – Business Combinations, the accounting involves estimating the fair value of the assets and liabilities at the acquisition date, the identification and valuation of intangible assets and recognition of goodwill. Significant judgement is involved in relation to the assumptions used in the valuation (using discounted future cash flows) and the purchase price allocation process. Due to the inherent uncertainty involved in discounting future cash flows, there is a risk that these assumptions are inappropriate.

Furthermore, an assessment is required to be made as to the classification of an investment as a subsidiary, joint venture or associate based on whether the Group has determined to have control, joint control or significant influence respectively.

### **Our response to address the key audit matter**

Our procedures included:

For the acquisitions, we challenged the Group's critical assumptions in relation to the identification and recognition of the assets and liabilities acquired and the associated fair values by involving our valuation specialists to assess the reasonableness of the key assumptions used in the fair value and purchase price allocation process as determined by the Group. We reviewed the resulting adjustments for reasonableness.

We inspected the key terms in the share purchase agreements to assess the control classification of the investments as per IFRS 10 – Consolidated Financial Statements. We agreed the consideration paid by comparing relevant amounts to bank records and considered the appropriateness of costs associated with the purchase.

We assessed the adequacy of the Group's disclosure in these respects.

**Key Audit Matters (continued)**

**Provisions in respect of litigation and claims**

Refer to notes 3 and 25 of the consolidated financial statements.

The Group enters into individually significant contracts which may extend to many years and are often directly or indirectly associated with governments. As a result, the Group is subject to a number of potentially material ongoing litigation actions and claims, therefore, the recognition and measurement of provisions and the measurement and disclosure of contingent liabilities in respect of litigation and claims requires significant judgement and accordingly is a key area of focus in our audit.

**Our response to address the key audit matter**

Our procedures included:

Evaluation of the Group's policies, procedures and controls in relation to litigations, claims and provision assessments.

Furthermore, we obtained written representations from the Group's legal counsel, made independent enquiries and obtained confirmations from external lawyers to understand the legal positions and exposure to the Group.

The outcome of our evaluation was used as a basis to determine the adequacy of the level of provisioning and disclosure in the consolidated financial statements.

**Taxation provisions**

Refer to notes 3 and 8 of the consolidated financial statements.

The Group operates in a number of tax jurisdictions whereby the Group has to estimate the tax effect of applying local legislation which can be complex, uncertain and involve cross border transactions, including transfer pricing arrangements.

Where the precise nature of the tax legislation is unclear, the Group has to make reasonable estimates of the likely tax charge that will arise.

Tax provisions have been estimated by the Group with respect to the tax exposures identified but there is the potential risk that the eventual resolution of a matter with the tax authorities is at an amount materially different to the provision recognised.



## **Key Audit Matters (continued)**

### **Our response to address the key audit matter**

Our procedures included:

We have considered any large or unusual items affecting the effective tax rate and whether or not any current year items would result in an increased or reduced provision. We have assessed the Group's deferred tax position and ensured that any change in tax rates enacted as at the reporting date have been appropriately considered.

In considering the judgements and estimates of tax provisions, we used our tax specialists to assess the Group's tax positions including assessing correspondence with the relevant tax authorities. We challenged the positions taken by the Group based on our knowledge and experience of the jurisdiction in which the Group operates specifically relating to the adequacy of provisions and disclosure within the consolidated financial statements.

### **Pensions**

Refer to notes 3 and 21 of the consolidated financial statements.

The Group operates a number of defined benefit pension schemes. In accordance with IAS 19 – Employee Benefits, the valuation of the pension deficit requires significant levels of judgement and technical expertise in choosing the appropriate assumptions. Changes in a number of the key assumptions including estimated salary increases, inflation, discount rates and mortality assumptions can have a material impact on the calculation of the net pension position. Due to the size of the pension scheme deficit and the judgements inherent in the actuarial assumptions used in the valuation of the pension benefit obligations, we considered this to be an area of focus.

### **Our response to address the key audit matter**

Our procedures included:

The Group engages independent external actuaries to assist them in calculating the appropriate pension scheme position. We obtained the actuary's report and, with the assistance of our pension specialists, assessed the discount and inflation rates used in calculating the pension deficit to our internally developed benchmarks, which are based on externally available data to assess whether these assumptions were within our expected range. We compared the mortality assumption to national and industry averages to assess that these were reasonable.

We also compared the assumptions with those used in previous years, to assess whether the methodology used in arriving at the assumptions year on year was consistent.

## **Key Audit Matters (continued)**

### **Our response to address the key audit matter (continued)**

We agreed the material assets of the scheme to third party confirmations and where applicable, recalculated asset valuations based on the quoted prices.

We assessed the adequacy of the disclosures in this area.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*  
*(continued)*

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

We further report that the consolidated financial statements comply, in all material respects, with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018.

KPMG LLP  
Rohit Rajvanshi  
Dubai, United Arab Emirates

Date: 14 March 2019

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Consolidated statement of profit or loss

	Note	Year ended 31 December 2018			Year ended 31 December 2017		
		Before separately disclosed items	Separately disclosed items (Note 9)	Total	Before separately disclosed items	Separately disclosed items (Note 9)	Total
		USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Revenue</b>	5	5,646,280	-	5,646,280	4,714,733	14,053	4,728,786
Cost of sales		(3,138,749)	-	(3,138,749)	(2,359,467)	(14,053)	(2,373,520)
<b>Gross profit</b>		2,507,531	-	2,507,531	2,355,266	-	2,355,266
General and administrative expenses		(738,233)	(56,264)	(794,497)	(693,878)	(14,699)	(708,577)
Other income		56,595	-	56,595	51,844	3,433	55,277
Loss on disposal and change in ownership of business	9	-	(3,591)	(3,591)	-	(28,234)	(28,234)
Share of profit/ (loss) from equity-accounted investees (net of tax)	17	165,067	(9,578)	155,489	123,592	4,172	127,764
<b>Results from operating activities</b>		1,990,960	(69,433)	1,921,527	1,836,824	(35,328)	1,801,496
Finance income	7	141,328	127,916	269,244	95,540	550	96,090
Finance costs	7	(575,891)	(33,656)	(609,547)	(425,410)	(98,100)	(523,510)
<b>Net finance costs</b>		(434,563)	94,260	(340,303)	(329,870)	(97,550)	(427,420)
<b>Profit before tax</b>		1,556,397	24,827	1,581,224	1,506,954	(132,878)	1,374,076
Income tax expense	8	(223,607)	-	(223,607)	(144,406)	101,076	(43,330)
<b>Profit for the year</b>	6	1,332,790	24,827	1,357,617	1,362,548	(31,802)	1,330,746
<b>Profit attributable to:</b>							
Owners of the Company		1,270,116	26,365	1,296,481	1,208,517	(31,802)	1,176,715
Non-controlling interests		62,674	(1,538)	61,136	154,031	-	154,031
		1,332,790	24,827	1,357,617	1,362,548	(31,802)	1,330,746
<b>Earnings per share</b>							
Basic earnings per share – US cents	11	153.03		156.20	145.60		141.77
Diluted earnings per share – US cents	11	148.59		140.63	141.58		141.77

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Consolidated statement of other comprehensive income

		2018	2017
	<i>Note</i>	USD'000	USD'000
<b>Profit for the year</b>		<b>1,357,617</b>	1,330,746
<b>Other comprehensive income (OCI)</b>			
<i>Items that are or may be reclassified to profit or loss:</i>			
Foreign exchange translation differences – foreign operations*		<b>(500,834)</b>	616,653
Foreign exchange translation differences recycled to profit or loss due to change in ownership resulting in control		-	46,949
Available for sale financial assets - net change in fair value		-	(779)
Share of other comprehensive income of equity-accounted investees	<i>17</i>	<b>843</b>	3,988
Cash flow hedges – effective portion of changes in fair value		<b>11,307</b>	49,255
Related tax on changes in fair value of cash flow hedges		<b>(3,478)</b>	(6,262)
<i>Items that will never be reclassified to profit or loss:</i>			
Net change in equity instruments at fair value through OCI		<b>(21,885)</b>	-
Re-measurements of post-employment benefit obligations		<b>28,959</b>	131
Related tax		<b>(2,657)</b>	(1,026)
<b>Other comprehensive income for the year, net of tax</b>		<b>(487,745)</b>	708,909
<b>Total comprehensive income for the year</b>		<b>869,872</b>	2,039,655
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>840,101</b>	1,837,558
Non-controlling interests		<b>29,771</b>	202,097

\* A significant portion of this includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level. The translation differences arising on account of translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency are also reflected here. There are no differences on translation from functional to presentation currency as the Company's functional currency is pegged to the presentation currency.

*The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.*

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Consolidated statement of financial position

		2018	2017
	Note	USD'000	USD'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	8,960,782	8,697,371
Investment properties	13	1,622,130	1,323,179
Intangible assets and goodwill	14	8,833,151	7,920,654
Investment in equity-accounted investees	17	2,101,425	2,172,683
Other investments		51,078	72,759
Accounts receivable and prepayments	18	574,570	481,741
<b>Total non-current assets</b>		<b>22,143,136</b>	<b>20,668,387</b>
<b>Current assets</b>			
Inventories		115,590	90,282
Properties held for development and sale	15	261,724	-
Accounts receivable and prepayments	18	1,378,179	871,542
Cash and cash equivalents	19	2,614,710	1,483,679
<b>Total current assets</b>		<b>4,370,203</b>	<b>2,445,503</b>
<b>Total assets</b>		<b>26,513,339</b>	<b>23,113,890</b>
<b>Equity</b>			
Share capital	28	1,660,000	1,660,000
Share premium		2,472,655	2,472,655
Shareholders' reserve		2,000,000	2,000,000
Retained earnings		7,712,784	6,759,367
Translation reserve		(1,976,051)	(1,503,980)
Other reserves		(558,190)	(573,881)
<b>Equity attributable to owners of the Company</b>		<b>11,311,198</b>	<b>10,814,161</b>
<b>Non-controlling interests</b>	23	<b>687,720</b>	<b>811,201</b>
<b>Total equity</b>		<b>11,998,918</b>	<b>11,625,362</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	30	10,065,388	7,287,136
Loans from non-controlling shareholders	30	132,236	150,134
Accounts payable and accruals	22	345,467	482,218
Deferred tax liabilities	8	886,173	907,860
Employees' end of service benefits	20	159,233	122,230
Pension and post-employment benefits	21	157,082	187,570
<b>Total non-current liabilities</b>		<b>11,745,579</b>	<b>9,137,148</b>
<b>Current liabilities</b>			
Interest bearing loans and borrowings	30	354,375	300,708
Loans from non-controlling shareholders	30	1,000	1,000
Accounts payable and accruals	22	2,305,727	1,947,781
Income tax liabilities	8	100,674	94,567
Pension and post-employment benefits	21	7,066	7,324
<b>Total current liabilities</b>		<b>2,768,842</b>	<b>2,351,380</b>
<b>Total liabilities</b>		<b>14,514,421</b>	<b>11,488,528</b>
<b>Total equity and liabilities</b>		<b>26,513,339</b>	<b>23,113,890</b>

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

The consolidated financial statements were authorised for issue on 14 March 2019.

.....  
Sultan Ahmed Bin Sulayem  
Chairman and Chief Executive Officer

.....  
Yuvraj Narayan  
Chief Financial Officer

DP World PLC (formerly DP World Limited) and its subsidiaries  
Consolidated statement of changes in equity

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital and premium	Shareholders' reserve	Retained earnings	Translation reserve	Other reserves	Total		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance as at 1 January 2017	4,132,655	2,000,000	5,495,181	(2,124,021)	(705,964)	8,797,851	721,834	9,519,685
Profit for the period	-	-	1,176,715	-	-	1,176,715	154,031	1,330,746
Other comprehensive income, net of tax	-	-	-	620,041	40,802	660,843	48,066	708,909
<b>Transactions with owners, recognised directly in equity</b>								
Change in ownership interests without change in control of subsidiaries	-	-	403,497	-	-	403,497	119,890	523,387
Pension obligation borne by Parent Company	-	-	-	-	91,281	91,281	-	91,281
Dividends paid (refer to note 10)	-	-	(315,400)	-	-	(315,400)	-	(315,400)
Acquisition of non-controlling interests without change in control	-	-	(626)	-	-	(626)	(4,191)	(4,817)
<b>Transactions with non-controlling interests, recognised directly in equity</b>								
Contributions by non-controlling interests	-	-	-	-	-	-	21,880	21,880
Dividends paid	-	-	-	-	-	-	(253,697)	(253,697)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	3,388	3,388
<b>Balance as at 31 December 2017</b>	<b>4,132,655</b>	<b>2,000,000</b>	<b>6,759,367</b>	<b>(1,503,980)</b>	<b>(573,881)</b>	<b>10,814,161</b>	<b>811,201</b>	<b>11,625,362</b>
Profit for the period	-	-	1,296,481	-	-	1,296,481	61,136	1,357,617
Other comprehensive income, net of tax	-	-	-	(472,071)	15,691	(456,380)	(31,365)	(487,745)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid (refer to note 10)	-	-	(340,300)	-	-	(340,300)	-	(340,300)
Acquisition of non-controlling interests without change in control	-	-	(2,764)	-	-	(2,764)	2,764	-
<b>Transactions with non-controlling interests, recognised directly in equity</b>								
Contributions by non-controlling interests	-	-	-	-	-	-	110,625	110,625
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	35,651	35,651
Dividends paid	-	-	-	-	-	-	(35,699)	(35,699)
Non-controlling interests derecognised on deconsolidation of subsidiaries (refer to note 25)	-	-	-	-	-	-	(266,593)	(266,593)
<b>Balance as at 31 December 2018</b>	<b>4,132,655</b>	<b>2,000,000</b>	<b>7,712,784</b>	<b>(1,976,051)</b>	<b>(558,190)</b>	<b>11,311,198</b>	<b>687,720</b>	<b>11,998,918</b>

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.



DP World PLC (formerly DP World Limited) and its subsidiaries  
Consolidated statement of cash flows

		2018	2017
	Note	USD'000	USD'000
<b>Cash flows from operating activities</b>			
Gross cash flows from operations	19	2,586,262	2,332,606
Changes in:			
Inventories		(4,142)	(3,844)
Accounts receivable and prepayments		47,941	71,583
Accounts payable and accruals		(371,405)	127,555
Properties held for development and sale		(50,386)	-
Provisions, pensions and post-employment benefits		(47,751)	(115,452)
<b>Cash provided by operating activities</b>		<b>2,160,519</b>	<b>2,412,448</b>
Income taxes paid		(209,029)	(204,575)
<b>Net cash provided by operating activities</b>		<b>1,951,490</b>	<b>2,207,873</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	12	(810,303)	(945,201)
Additions to investment properties	13	(83,452)	(98,884)
Additions to port concession rights		(14,470)	(45,566)
Additions to other investments		(60,000)	(28,026)
Proceeds from disposal of property, plant and equipment and port concession rights		37,158	42,579
Proceeds from disposal of a subsidiary		400	-
Cash outflow on acquisition of subsidiaries (net of cash acquired)		(1,326,595)	(179,114)
Cash outflow on deconsolidation of a subsidiary		(112,500)	-
Cash inflow on monetisation of stake in subsidiaries without change in control		-	523,387
Net cash outflow on acquisition of non-controlling interests without change in control		-	(4,817)
Interest received		50,527	38,030
Dividends received from equity-accounted investees	17	207,752	114,695
Additional investment in equity-accounted investees		(1,460)	(4,415)
Net loan from equity-accounted investees		5,880	1,347
<b>Net cash used in investing activities</b>		<b>(2,107,063)</b>	<b>(585,985)</b>
<b>Cash flows from financing activities</b>			
Repayment of interest bearing loans and borrowings		(2,382,237)	(504,809)
Drawdown of interest bearing loans and borrowings		4,879,004	290,361
Redemption of sukuk		(431,571)	(387,300)
Interest paid		(472,963)	(332,420)
Dividend paid to the owners of the Company		(340,300)	(315,400)
Contribution by non-controlling interests		110,625	21,880
Dividend paid to non-controlling interests		(35,699)	(253,697)
<b>Net cash from/ (used in) financing activities</b>		<b>1,326,859</b>	<b>(1,481,385)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,171,286</b>	<b>140,503</b>
Cash and cash equivalents as at 1 January		1,483,679	1,299,391
Effect of exchange rate fluctuations on cash held		(40,255)	43,785
<b>Cash and cash equivalents as at 31 December</b>	19	<b>2,614,710</b>	<b>1,483,679</b>

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements

### 1. Corporate information

DP World PLC (“the Company”) formerly known as DP World Limited, was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre (“DIFC”) under the DIFC Companies Law. The consolidated financial statements for the year ended 31 December 2018 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interests in equity-accounted investees. The Group is engaged in the business of development and management of international marine and inland terminal operations, maritime services, maritime transport, industrial parks and economic zones, logistics and ancillary services to technology-driven trade solutions.

Port & Free Zone World FZE (“the Parent Company”), which originally held 100% of the Company’s issued and outstanding share capital, made an initial public offer of 19.55% of its share capital to the public and the Company was listed on the Nasdaq Dubai with effect from 26 November 2007. The Company was further admitted to trade on the London Stock Exchange with effect from 1 June 2011 and voluntarily delisted from the London Stock Exchange on 21 January 2015.

Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation (“the Ultimate Parent Company”).

The Company’s registered office address is P.O. Box 17000, Dubai, United Arab Emirates.

### 2. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on going concern basis in accordance with International Financial Reporting Standards (“IFRS”) and the applicable provisions of the DIFC Companies Law.

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value.

#### a) Use of estimates and judgements

The management makes estimates and judgements affecting the application of accounting policies and reported numbers in the consolidated financial statements. The significant estimates and judgements are listed below:

- i. Estimate of useful lives of property, plant and equipment and port concession rights with finite lives.
- ii. Estimate of expected future cash flows and discount rates for calculating present value of such cash flows used to compute value-in-use of cash-generating units.
- iii. Estimate of fair value of derivatives for which an active market is not available, is computed using various generally accepted valuation techniques. Such techniques require inputs from observable markets and judgements on market risk and credit risk.
- iv. Estimates of cost to complete the projects for the purpose of valuation of the properties held for development and sale and investment properties under construction.
- v. Estimate of level of probability of a contingent liability becoming an actual liability and resulting cash outflow based on the information available on the reporting date
- vi. Judgement is required for recognition of revenue under the new accounting standard.
- vii. Judgement is required on recognition of an identifiable intangible asset separate from goodwill in case of business combination at its estimated fair value. This is based on information available and management’s expectations on the date of acquisition.
- viii. Judgements required by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.
- ix. Judgement is required for consolidation of entities in which the Group holds less than 50% shareholding and non-consolidation of entities in which the Group holds more than 50% shareholding (refer to note 25).
- x. Judgement is required in determining the worldwide provision for income taxes.
- xi. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.
- xii. Judgement is required for measurement of expected credit losses for financial assets.

The actual results may differ from the estimates and judgements made by the management in the above matters. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### b) New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not effective for annual periods beginning 1 January 2018, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements *(continued)*

### **2. Basis for preparation of the consolidated financial statements (continued)**

#### **b) New standards and interpretations not yet effective (continued)**

##### ***i. IFRS 16 Leases (effective from 1 January 2019)***

The Group is required to adopt IFRS 16 Leases from 1 January 2019. The new standard requires the lessee to recognise the operating lease commitment on the balance sheet. The standard requires future lease commitments to be recognised as a liability, with a corresponding right of use asset. This will impact the EBITDA and debt to equity ratios of the Group. In addition, depending on the stage of lease, there will be a different pattern of expense recognition on leases. Currently, lease expenses are recognised in cost of sales, however, in future the lease expense would be replaced by an amortisation charge and finance expense. The Group has reviewed all the leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting of the Group's operating leases.

The Group will apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated financial statements, as described below.

As at the reporting date, the Group has non-cancellable operating lease commitments of USD 7.8 billion (refer to note 32). These are mainly terminal operating leases which are long term in nature, arising out of the concession arrangements. The Group expects to recognise right-of-use assets of approximately USD 1.5 billion on 1 January 2019 and lease liabilities of USD 1.9 billion. The Group expects that net profit after tax will decrease by approximately USD 49 million for 2019 as a result of adopting the new rules. Adjusted EBITDA is expected to increase by approximately USD 120 million, as the operating lease payments were included in EBITDA earlier, but the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure now. This change will have no overall impact on Group's cash flows, except that operating cash flows will increase and financing cash flows will decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements.

#### **c) New standards, amendments and interpretations adopted by the Group**

The Group has initially applied IFRS 9 and IFRS 15 from 1 January 2018. A number of other new standards are also effective from 1 January 2018, but they do not have a material effect on the Group's financial statements.

##### **IFRS 9**

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

IFRS 9 did not have a significant impact on the Group's financial statements.

##### **IFRS 15**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Revenue is recognised to the extent that it is probable that the Group will collect the consideration to which it is entitled. Determining the timing of the transfer of control - at a point in time or over time - requires judgement.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### 2. Basis for preparation of the consolidated financial statements (*continued*)

#### c) New standards, amendments and interpretations adopted by the Group (*continued*)

##### **IFRS 15 (*continued*)**

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated.

The Group's revenue mainly consists of revenue from ports and terminals, lease rentals and services from economic zones, Drydocking services and Logistics services. The Group's current practises for recognising revenue have shown to comply in all material aspects with the concepts and principles encompassed by the new standard. Therefore, IFRS 15 did not have a significant impact on the Group's accounting for revenue recognition.

### 3. Significant accounting policies

The following significant accounting policies have been consistently applied in the preparation of these consolidated financial statements throughout the Group to all the years presented, unless otherwise stated.

#### a) Basis of consolidation

##### *i. Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The acquisition method of accounting is used to account for business combinations including common control transactions by the Group on the date of acquisition.

##### *ii. Business combination achieved in stages*

On business combination achieved in stages, the acquirer's previously held interest in the acquiree is remeasured to fair value at the date of acquisition with any resulting gain or loss recognised in the consolidated statement of profit or loss.

##### *iii. Change in ownership interests in subsidiaries without loss of control*

Changes in the Group's interests in a subsidiary that does not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid or received and relevant shares acquired or disposed off in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

##### *iv. Disposal of subsidiaries (loss of control)*

On the loss of control, the Group derecognises the subsidiary and recognises any surplus or deficit arising on the loss of control in the consolidated statement of profit or loss. Any retained interest is re-measured at fair value on the date control is lost and is subsequently accounted as an equity-accounted investee or as a FVOCI-equity instrument depending on the level of influence retained.

##### *v. Non-controlling interests*

For each business combination, the Group elects to measure any non-controlling interests at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

##### *vi. Structured entities*

The Group established DP World Crescent Limited (a limited liability company incorporated in the Cayman Islands) as a structured entity ("SE") for the issue of Sukuk Certificates. These certificates are listed on Nasdaq Dubai and London Stock Exchange. The Group does not have any direct or indirect shareholding in this entity.

The Group has also incorporated JAFZ Sukuk (2019) Limited as a SE for issuing New JAFZ Sukuk which are currently listed on Nasdaq Dubai and the Irish Stock Exchange.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### 3. Significant accounting policies (*continued*)

#### a) Basis of consolidation (*continued*)

##### vi. *Investments in equity-accounted investees (associates and joint ventures)*

The Group's interest in equity-accounted investees comprise interest in associates and joint ventures. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Investments in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's investment includes fair value adjustments (including goodwill) net of any accumulated impairment losses.

At each reporting date, the Group determines whether there is any objective evidence that the investments in the equity-accounted investees are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the same in the consolidated statement of profit or loss.

##### vii. *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from the transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### b) Foreign currency

##### i. *Functional and presentation currency*

The functional currency of the Company is UAE Dirhams. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which it operates (functional currency). These consolidated financial statements are presented in USD, which is the Group's presentation currency.

##### ii. *Foreign currency transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit or loss.

Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of transaction with no further re-measurement in future.

##### iii. *Foreign operations*

For the preparation of consolidated financial statements, the differences arising on translation of financial statements of foreign operations into USD are recognised in other comprehensive income and accumulated in the translation reserve except to the extent of share of non-controlling interests in such differences. Accumulated translation differences are recycled to profit or loss on de-recognition of foreign operations as part of the gain or loss on such derecognition. In case of partial derecognition, accumulated differences proportionate to the stake derecognised are recycled.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in the consolidated statement of other comprehensive income and accumulated in the translation reserve.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### 3. Significant accounting policies (*continued*)

#### c) Financial instruments

##### i. *Non-derivative financial assets*

#### **Classification and subsequent measurement of financial assets (policy applicable under IAS 39 until 31 December 2017)**

Until 31 December 2017, the Group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss (FVPL),
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition.

#### **Subsequent measurement**

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- for financial assets at FVPL – in profit or loss.
- for available-for-sale financial assets, changes in the carrying amount were recognised in other comprehensive income

#### **Classification of financial assets (Policy applicable under IFRS 9 from 1 January 2018)**

IFRS 9 eliminates the previous IAS 39 categories for financial assets such as held to maturity, loans and receivables, fair value through profit or loss and available for sale.

Under IFRS 9, on initial recognition, a financial asset is classified and measured at:

- Amortised cost;
- Fair value through other comprehensive income ('FVOCI') - debt instrument;
- FVOCI - equity instrument; or
- Fair value through profit or loss ('FVTPL').

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and also on the basis of the contractual cash flows characteristics of the financial instrument.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 3. Significant accounting policies (continued)

#### c) Financial instruments (continued)

##### i. Non-derivative financial assets (continued)

#### Classification of financial assets (Policy applicable under IFRS 9 from 1 January 2018) (continued)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Derivatives embedded in contracts where the host is a financial asset in the scope of the IFRS 9 is never separated. Instead, the hybrid financial instrument as a whole is classified and measured at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

#### Initial recognition of financial assets

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### Subsequent measurement of financial assets

<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<b>FVOCI – debt instrument</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>FVOCI – equity instrument</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 3. Significant accounting policies (continued)

#### c) Financial instruments (continued)

##### i. Non-derivative financial assets (continued)

#### Subsequent measurement of financial assets (continued)

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018:

	Original classification under IAS 39	New classification under IFRS 9	Original carrying value under IAS 39
			USD'000
Equity securities*	Available-for-sale financial assets	FVOCI - equity investment	69,935
Convertible debt instrument**	Loans and receivables	Financial assets at FVTPL	30,000
Equity securities	Financial assets at FVTPL	Financial assets at FVTPL	2,824
Derivative instruments for hedging	Fair value - hedging instruments	Fair value - hedging instruments	8,952
Trade and other receivables	Loans and receivables	Financial assets at amortised cost	1,188,037
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	1,483,679

The new classification above did not result in any significant change in measurement of values under IFRS 9.

\* These equity securities represent investments that the Group intends to hold for the long-term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value movement related to these investments will never be reclassified to profit or loss.

\*\* Convertible debt instrument has been reclassified as financial asset at FVTPL due to its exposure to equity price risk.

#### Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

##### ii. Impairment of non-derivative financial assets (Policy applicable under IFRS 9 from 1 January 2018)

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.



# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### 3. Significant accounting policies (*continued*)

#### c) Financial instruments (*continued*)

##### ii. *Impairment of non-derivative financial assets (Policy applicable under IFRS 9 from 1 January 2018) (continued)*

The Group assumes that the credit risk on a financial asset increases significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any are held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The application of IFRS 9's impairment requirements at 1 January 2018 did not result in any significant additional impairment allowance.

##### iii. *Non-derivative financial liabilities*

#### **Classification, initial recognition and measurement**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities at amortised cost or FVTPL.

The Group's non-derivative financial liabilities consist of loans and borrowings, bank overdrafts, amounts due to related parties, and trade and other payables. All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. The Group classifies all its non-derivative financial liabilities as financial liabilities to be carried at amortised cost using effective interest method.

The subsequent measurement of non-derivative financial liabilities are carried at their amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

#### **Convertible bond**

Convertible bonds issued by the Group are denominated in USD and can be converted into ordinary shares. Convertible bonds are split into two components: a debt component and a component representing the embedded derivative in the convertible bond. The debt component represents a non-derivative financial liability for future coupon payments and the redemption of the principal amount. The embedded derivative, a financial derivative liability, represents the value of the option that bond holders can convert into ordinary shares. The Group has not recorded the embedded derivative within equity due to the existence of cash settlement terms with the Company.

##### iv. *Derivative financial instruments and hedge accounting - (Policy applicable under IFRS 9 from 1 January 2018)*

The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its cash flows exposed to risk of fluctuations in foreign currencies and interest rates.

The Group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

All hedging relationships designated under IAS 39 at 31 December 2017 met the criteria for hedge accounting under IFRS 9 at 1 January 2018 and are therefore regarded as continuing hedging relationships.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements *(continued)*

### 3. Significant accounting policies *(continued)*

#### c) Financial instruments *(continued)*

#### iv. *Derivative financial instruments and hedge accounting - (Policy applicable under IFRS 9 from 1 January 2018) (continued)*

##### **Initial recognition**

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are either recognised in the consolidated statement of profit or loss or the consolidated statement of other comprehensive income.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation

On initial designation of the derivatives as the hedging instrument, the Group formally documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedging instrument and hedged item, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other together with the methods that will be used to assess the effectiveness of the hedging relationship.

##### **Subsequent measurement**

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated statement of profit or loss.

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

##### **Derecognition**

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to the consolidated statement of profit or loss.

The policies applied for initial recognition and subsequent measurement in the comparative information presented for 2017 is similar to that applied for 2018.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements *(continued)*

### 3. Significant accounting policies *(continued)*

#### d) Property, plant and equipment

##### i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 3(j) (i)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located. Such property, plant and equipment does not directly increase the future economic benefits of any particular existing item of property, plant and equipment, but may be necessary for an entity to obtain the future economic benefits from its other assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

#### Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement. Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

##### ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

##### iii. Depreciation

Land and capital work in progress is not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value. Leased assets are depreciated on straight-line basis over their estimated useful lives or lease term whichever is shorter.

The estimated useful lives of assets are as follows:

<b>Assets</b>	<b>Useful life (years)</b>
Buildings	5 – 50
Plant and equipment	3 – 25
Vessels	10 – 30
Dredging (included in land and buildings)	10 – 99

Dredging costs are depreciated on a straight line basis based on the lives of various components of dredging.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### 3. Significant accounting policies (*continued*)

#### d) Property, plant and equipment (*continued*)

##### iv. *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time, the assets are substantially ready for their intended use or sale.

##### e) **Investment properties**

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives, as follows:

<b>Assets</b>	<b>Useful life (years)</b>
Buildings	20 – 35
Infrastructure	5 – 50

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

##### f) **Land use rights**

Land use rights represents the prepaid lease payments of leasehold interests in land under operating lease arrangements. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

##### g) **Goodwill**

Goodwill arises on the acquisition of subsidiaries and equity-accounted investees. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses (refer to note 3(j)(i)). Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

##### h) **Port concession rights**

The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to equity-accounted investees). The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions. Port concession rights consist of:

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements *(continued)*

### 3. Significant accounting policies *(continued)*

#### h) Port concession rights *(continued)*

##### i. *Port concession rights arising on business combinations*

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note 3(j)(i)). The useful lives of port concession rights are assessed to be either finite or indefinite.

Port concession rights with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired. The amortisation period and amortisation method for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight-line basis.

Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis or when the impairment indicator exists, either individually or at the cash-generating unit level. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

##### ii. *Port concession rights arising from Service Concession Arrangements (IFRIC 12)*

The Group recognises port concession rights arising from a service concession arrangement, in which the grantor (government or port authorities) controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The estimated useful lives for port concession rights range within a period of 5 – 50 years (including the concession rights relating to equity-accounted investees).

#### i) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### i. *Group as a lessee*

Assets held by the Group under leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance lease.

Contingent payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### 3. Significant accounting policies (*continued*)

#### i) Leases (*continued*)

##### ii. *Group as a lessor*

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

##### iii. *Leasing and sub-leasing transactions*

Leasing and sub-leasing transactions are designed to achieve certain benefits for the third parties in overseas locations in return for a cash benefit to the Group. Such cash benefit is accounted in the consolidated statement of profit or loss based on its economic substance.

##### iv. *Leases of land in port concession*

Leases of land have not been classified as finance leases as the Group believes that the substantial risks and rewards of ownership of the land have not been transferred. Accordingly, these are accounted as operating leases. The existence of a significant exposure of the lessor to performance of the asset through contingent rentals is the basis of concluding that substantially all the risks and rewards of ownership have not passed.

#### j) Impairment

##### i. *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, the assets are grouped together into smallest group of assets (cash generating unit or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU's.

Goodwill and port concession rights with infinite useful lives, as part of their respective cash-generating units, are also reviewed for impairment at each reporting date or at least once in a year regardless of any indicators of impairment. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### ii. *Financial assets*

Financial assets not classified at fair value through profit or loss are assessed by management at each reporting date to determine whether there is objective evidence of impairment.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### 3. Significant accounting policies (*continued*)

#### j) Impairment (*continued*)

##### ii. *Financial assets (continued)*

#### **Financial assets measured at amortised cost**

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset level and collective level. All individually significant receivables and held to maturity investment securities are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

#### **Available-for-sale financial assets**

A significant or prolonged decline in the fair value of an equity investment is considered as objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be considered as prolonged.

#### k) Employee benefits

##### i. *Pension and post-employment benefits*

#### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan in which the Company pays the fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the consolidated statement of profit or loss during which the services are rendered by employees.

#### **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan asset is deducted to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

##### ii. *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### 3. Significant accounting policies (*continued*)

#### l) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated statement of profit or loss.

#### m) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's revenue mainly consists of port related services (containerised stevedoring, break bulk and general cargo), service concession revenue, lease rentals, drydocking and logistic services revenue.

The following specific recognition criteria must also be met before revenue is recognised:

##### *i. Rendering of port related services*

Revenue from providing containerised stevedoring, other containerised services and non-containerised services is recognised at the point in time when the services are rendered to the customer. However, storage revenue is recognised over a period of time.

##### *ii. Service concession arrangements (IFRIC 12)*

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date. The Group recognises revenue and costs relating to construction services over a period of time by reference to the stage of completion of the contract using the input method.

##### *iii. Lease rentals and services from economic zones*

A lease rental is recognised on a straight line basis over the lease term. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the consolidated statement of financial position.

Revenue from administrative service, license and registration is recognised at the point in time when the services are rendered to the customer.

##### *iv. Revenue from drydocking services*

Revenue from drydocking services includes revenue from ship repair services, conversions, ship building, ship lifting, docking and undocking services.

Revenue from ship repair services, conversions and ship building is recognised over a period of time by reference to the stage of completion of the contract using the surveys of work performed and cost-to-cost method. Provisions for foreseeable losses are made in full, as soon as they are anticipated. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Advances received are included in contract liabilities.

Revenue from ship lifting, docking and undocking of vessels is recognised at the point in time when the services are rendered to the customer.

##### *v. Revenue from logistics services*

Revenue from logistics services is recognised at the point in time when the services are rendered to the customer.



# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### **3. Significant accounting policies (continued)**

#### **n) Properties held for development and sale**

Properties acquired, constructed or in the course of construction for sale are classified as properties held for development and sale. Properties held for development and sale are stated at the lower of cost or net realisable value.

Cost includes the cost of right to reclaim the land, cost of infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised as and when the activities, that are necessary to enable the assets to be ready for the intended use are in progress. Net realisable value represents the estimated selling price in the ordinary course of business, based on market prices at the reporting date discounted for the time value of money, if material, less costs to complete and costs to be incurred in selling the property.

The Group reviews the carrying values of the properties held for development and sale at each reporting date for any impairment.

Revenue from these properties is recognised when the control is transferred to the buyer. Control generally transfers when the customer has an ability to direct its use and obtains substantially all of its economic benefits.

#### **o) Finance income and costs**

Finance income comprises interest income on cash and cash equivalents and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of discount on provisions, impairment losses recognised on financial assets, losses on hedging instruments and fair value changes of debt instruments that are recognised in the consolidated statement of profit or loss.

Finance income and costs also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 3(b) (ii)).

#### **p) Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in consolidated statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Current tax and deferred tax assets and liabilities are offset only if certain criteria are met.

#### **q) Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (after adjusting for interest on the convertible bond and other consequential changes in income or expense that would result from the assumed conversion) by the weighted average number of ordinary shares outstanding during the year including the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares (refer to note 11).

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements *(continued)*

### **3. Significant accounting policies (continued)**

#### **r) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors ('Chief Operating Decision Maker') to assess performance.

#### **s) Separately disclosed items**

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

### **4. Segment information**

The Group has identified the following geographic areas as its basis of segmentation.

- Asia Pacific and Indian subcontinent
- Australia and Americas
- Middle East, Europe and Africa

Each of these operating segments have an individual appointed as Segment Director responsible for these segments, who in turn reports to the Chief Operating Decision Maker. In addition to the above reportable segments, the Group reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment

The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA").

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property, and port concession rights other than goodwill.

Information regarding the results of each reportable segment is included below.

# DP World PLC (formerly DP World Limited) and its subsidiaries

Notes to consolidated financial statements (continued)

## 4. Segment information (continued)

The following table presents certain results, assets and liabilities information regarding the Group's segments as at the reporting date.

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	833,409	682,272	961,146	762,151	3,851,725	3,284,363	-	-	-	-	5,646,280	4,728,786
Adjusted for separately disclosed items	-	(14,053)	-	-	-	-	-	-	-	-	-	(14,053)
<b>Revenue before separately disclosed items</b>	<b>833,409</b>	<b>668,219</b>	<b>961,146</b>	<b>762,151</b>	<b>3,851,725</b>	<b>3,284,363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,646,280</b>	<b>4,714,733</b>
<b>Adjusted EBITDA</b>	<b>591,956</b>	<b>434,989</b>	<b>340,151</b>	<b>291,485</b>	<b>2,013,863</b>	<b>1,917,640</b>	<b>(137,975)</b>	<b>(175,080)</b>	<b>-</b>	<b>-</b>	<b>2,807,995</b>	<b>2,469,034</b>
Finance income	-	-	-	-	-	-	141,328	95,540	-	-	141,328	95,540
Finance costs	-	-	-	-	-	-	(575,891)	(425,410)	-	-	(575,891)	(425,410)
Tax expense	-	-	-	-	-	-	(223,607)	(144,406)	-	-	(223,607)	(144,406)
Depreciation and amortisation	(105,960)	(101,760)	(117,225)	(94,046)	(585,387)	(427,169)	(8,463)	(9,235)	-	-	(817,035)	(632,210)
<b>Adjusted net profit/ (loss) before separately disclosed items</b>	<b>485,996</b>	<b>333,229</b>	<b>222,926</b>	<b>197,439</b>	<b>1,428,476</b>	<b>1,490,471</b>	<b>(804,608)</b>	<b>(658,591)</b>	<b>-</b>	<b>-</b>	<b>1,332,790</b>	<b>1,362,548</b>
Adjusted for separately disclosed items	(10,743)	(13,313)	(2,800)	(32,384)	(29,480)	10,369	67,850	3,526	-	-	24,827	(31,802)
<b>Profit/ (loss) for the year</b>	<b>475,253</b>	<b>319,916</b>	<b>220,126</b>	<b>165,055</b>	<b>1,398,996</b>	<b>1,500,840</b>	<b>(736,758)</b>	<b>(655,065)</b>	<b>-</b>	<b>-</b>	<b>1,357,617</b>	<b>1,330,746</b>

Net finance cost and tax expense from various geographical locations and head office have been grouped under head office.

In the previous years, a deferred revenue provision was recognised in the 'Asia Pacific and Indian subcontinent' region in relation to the difference in revenue between the billed rates and the rates specified by the Tariff Authority order. Due to change in tariff regulatory environment, management has decided to reverse this provision in the current year.

# DP World PLC (formerly DP World Limited) and its subsidiaries

Notes to consolidated financial statements (continued)

## 4. Segment information (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Segment assets</b>	<b>4,564,835</b>	4,576,571	<b>2,935,015</b>	3,103,562	<b>19,227,147</b>	18,062,307	<b>14,063,935</b>	9,345,615	<b>(14,277,593)</b>	(11,974,165)	<b>26,513,339</b>	23,113,890
<b>Segment liabilities</b>	<b>479,486</b>	661,767	<b>725,366</b>	643,515	<b>6,381,328</b>	4,042,232	<b>11,345,791</b>	8,693,264	<b>(5,404,397)</b>	(3,554,677)	<b>13,527,574</b>	10,486,101
<b>Tax liabilities*</b>	-	-	-	-	-	-	<b>986,847</b>	1,002,427	-	-	<b>986,847</b>	1,002,427
<b>Total liabilities</b>	<b>479,486</b>	661,767	<b>725,366</b>	643,515	<b>6,381,328</b>	4,042,232	<b>12,332,638</b>	9,695,691	<b>(5,404,397)</b>	(3,554,677)	<b>14,514,421</b>	11,488,528
<b>Capital expenditure</b>	<b>41,807</b>	87,670	<b>257,353</b>	163,999	<b>565,946</b>	835,695	<b>43,119</b>	2,287	-	-	<b>908,225</b>	1,089,651
<b>Depreciation</b>	<b>45,624</b>	43,022	<b>88,634</b>	64,801	<b>478,383</b>	339,645	<b>8,464</b>	9,234	-	-	<b>621,105</b>	456,702
<b>Amortisation/impairment</b>	<b>60,336</b>	58,738	<b>28,591</b>	29,245	<b>116,303</b>	91,127	-	-	-	-	<b>205,230</b>	179,110
<b>Share of profit/(loss) of equity-accounted investees before separately disclosed items</b>	<b>128,797</b>	117,365	<b>2,986</b>	(14,894)	<b>33,284</b>	21,121	-	-	-	-	<b>165,067</b>	123,592
<b>Tax expense</b>	-	-	-	-	-	-	<b>223,607</b>	43,330	-	-	<b>223,607</b>	43,330
<b>Revenue consists of:</b>												
<b>Revenue from ports and terminals</b>	<b>783,001</b>	668,219	<b>881,856</b>	762,151	<b>2,631,093</b>	2,698,297	-	-	-	-	<b>4,295,950</b>	4,128,667
<b>Service concessions revenue</b>	-	14,053	-	-	-	-	-	-	-	-	-	14,053
<b>Lease rentals and services from economic zones</b>	-	-	-	-	<b>726,234</b>	586,066	-	-	-	-	<b>726,234</b>	586,066
<b>Drydocking and logistics services</b>	<b>50,408</b>	-	<b>79,290</b>	-	<b>494,398</b>	-	-	-	-	-	<b>624,096</b>	-
<b>Total revenue</b>	<b>833,409</b>	682,272	<b>961,146</b>	762,151	<b>3,851,725</b>	3,284,363	-	-	-	-	<b>5,646,280</b>	4,728,786

\*Tax liabilities and tax expenses from various geographical locations have been grouped under head office.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 5. Revenue

	2018	2017
	USD'000	USD'000
<i>Revenue consists of:</i>		
Revenue from ports and terminals	4,295,950	4,128,667
Service concessions revenue	-	14,053
Lease rentals and services from economic zones	726,234	586,066
Drydocking and logistics services	624,096	-
<b>Total</b>	<b>5,646,280</b>	<b>4,728,786</b>

The above revenue includes revenue from contracts with customers under IFRS 15 amounting to USD 5,170,658 thousand (2017: USD 4,262,109 thousand).

### 6. Profit for the year

	2018	2017
	USD'000	USD'000
<i>Profit for the year is stated after charging the following costs:</i>		
Staff costs	1,200,628	933,712
Depreciation and amortization	817,035	632,210
Operating lease rentals	410,624	399,968
Impairment loss (refer to note 9)	9,300	3,602

### 7. Finance income and costs

	2018	2017
	USD'000	USD'000
<b>Finance income</b>		
Interest income	84,547	66,400
Exchange gains	56,781	29,140
<b>Finance income before separately disclosed items</b>	<b>141,328</b>	<b>95,540</b>
Separately disclosed items (refer to note 9)	127,916	550
<b>Finance income after separately disclosed items</b>	<b>269,244</b>	<b>96,090</b>
<b>Finance costs</b>		
Interest expense	(480,807)	(372,950)
Exchange losses	(90,584)	(46,550)
Other net financing expense in respect of pension plans	(4,500)	(5,910)
<b>Finance costs before separately disclosed items</b>	<b>(575,891)</b>	<b>(425,410)</b>
Separately disclosed items (refer to note 9)	(33,656)	(98,100)
<b>Finance costs after separately disclosed items</b>	<b>(609,547)</b>	<b>(523,510)</b>
<b>Net finance costs after separately disclosed items</b>	<b>(340,303)</b>	<b>(427,420)</b>

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 8. Income tax

The major components of income tax expense for the year ended 31 December:

	2018	2017
	USD'000	USD'000
<b>Current tax expense</b>		
Current year	220,007	193,987
Change in estimates related to prior years	26,440	(24,506)
	246,447	169,481
<b>Deferred tax credit</b>	(22,840)	(126,151)
<b>Income tax expense</b>	223,607	43,330
Share of income tax of equity-accounted investees	59,610	48,963
<b>Total tax expense</b>	283,217	92,293
<b>Tax recognised in statement of other comprehensive income</b>		
Current tax	914	-
Deferred tax	(7,049)	(7,288)
<b>Total</b>	(6,135)	(7,288)
<b>Income tax balances included in the consolidated statement of financial position:</b>		
Income tax receivable (included within accounts receivable and prepayments)	4,972	31,551
Income tax liabilities	100,674	94,567

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2018	2017
		USD'000	USD'000
Net profit before tax		1,581,224	1,374,076
Tax at the Company's domestic rate of 0% (2017: 0%)		-	-
Effect of tax rates in foreign jurisdictions		163,556	139,118
Net current year tax losses incurred, on which deferred tax is not recognised		25,866	15,699
Tax charge of equity-accounted investees		59,610	48,963
Effect of tax rate changes on deferred tax		(6,004)	2,188
Deferred tax in respect of fair value adjustments		(17,848)	(15,198)
Others		36,057	20,970
<b>Tax expense before prior year adjustments</b>		261,237	211,740
Change in estimates related to prior years:			
- current tax		26,440	(24,506)
- deferred tax		(4,460)	6,135
<b>Total tax expense from operations before separately disclosed items</b>	(A)	283,217	193,369
Adjustment for separately disclosed items		-	(101,076)
<b>Total tax expense</b>	(B)	283,217	92,293
Net profit before tax		1,581,224	1,374,076
Adjustment for share of income tax of equity-accounted investees		59,610	48,963
Adjusted profit before tax	(C)	1,640,834	1,423,039
Adjustment for separately disclosed items		(24,827)	132,878
<b>Adjusted profit before tax and before separately disclosed items</b>	(D)	1,616,007	1,555,917
<b>Effective tax rate</b>	(B/C)	17.26%	6.49%
<b>Effective tax rate before separately disclosed items</b>	(A/D)	17.53%	12.43%

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 8. Income tax

#### Group tax rates

The Group is not subject to income tax on its UAE operations. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

<i>Geographical segments</i>	<i>Applicable corporate tax rate</i>
Asia Pacific and Indian subcontinent	10% to 34.9%
Australia and Americas	0% to 36.0%
Middle East, Europe and Africa	0% to 34.0%

Movement in temporary differences during the year:

	1 January 2018	Recognised in consolidated statement of profit or loss	Acquisitions in the period	Translation and other movements	31 December 2018
	USD'000	USD'000	USD'000	USD'000	USD'000
<i>Deferred tax liabilities</i>					
Property, plant and equipment	104,580	4,080	40,036	(10,212)	138,484
Investment in equity-accounted investee	22,979	1,701	-	(1,514)	23,166
Fair value of acquired intangibles	518,803	(22,888)	4,220	(35,908)	464,227
Others	305,885	(4,306)	888	(773)	301,694
<b>Total before set off</b>	<b>952,247</b>	<b>(21,413)</b>	<b>45,144</b>	<b>(48,407)</b>	<b>927,571</b>
<b>Set off of deferred tax asset against liabilities</b>	<b>(44,387)</b>				<b>(41,398)</b>
<b>Net deferred tax liabilities</b>	<b>907,860</b>				<b>886,173</b>
<i>Deferred tax assets</i>					
Pension and post-employment benefits	11,517	1,479	193	(4,264)	8,925
Financial instruments	6,682	657	-	(4,723)	2,616
Provisions	2,367	260	1,153	(126)	3,654
Tax value of losses carried forward recognised	23,821	(1,471)	5,394	(1,541)	26,203
<b>Total before set off</b>	<b>44,387</b>	<b>925</b>	<b>6,740</b>	<b>(10,654)</b>	<b>41,398</b>
<b>Set off of deferred tax asset against liabilities</b>	<b>(44,387)</b>				<b>(41,398)</b>
<b>Net deferred tax assets</b>	<b>-</b>				<b>-</b>

Deferred tax liabilities have been offset if certain criteria are met.

Deferred tax assets have not been recognised by some of the subsidiaries on their trading losses where utilisation is uncertain, either because they have not been agreed with tax authorities, or because they are not likely to generate taxable income in the foreseeable future to offset against these losses, or because of the impact of tax holidays. The Group will continuously review/monitor these unrecognised tax losses and will consider recognising them as deferred tax asset in future if there are any significant changes to these assumptions.

	2018			2017		
	Gross amount USD'000	Tax effect USD'000	Expiry date	Gross amount USD'000	Tax effect USD'000	Expiry date
Trading losses - expire	157,054	38,588	2019-2038	187,907	40,856	2018-2037
Trading losses - never expire	996,239	270,425	-	994,802	283,074	-
Capital losses - never expire	215,819	36,689	-	208,342	40,106	-

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 9. Separately disclosed items

	2018	2017
	USD'000	USD'000
Revenue		
Construction contract revenue relating to service concessions	-	14,053
Cost of sales		
Construction contract costs relating to service concessions	-	(14,053)
General and administrative expenses		
- Acquisition costs, restructuring and other provisions	(28,520)	(14,699)
- Guaranteed minimum pension costs	(27,744)	-
Other income	-	3,433
Loss on disposal and change in ownership of business	(3,591)	(28,234)
Share of (loss)/ profit from equity-accounted investees	(9,578)	4,172
Finance income	127,916	550
Finance costs	(33,656)	(98,100)
Income tax	-	101,076
Total	24,827	(31,802)

**Construction contract revenue and costs:** In 2017, the Group has recorded revenue on the construction of a port in the 'Asia Pacific and Indian subcontinent' region in accordance with IFRIC 12 'Service Concession Arrangements'. The construction revenue represents the fair value of the construction services provided in developing the port. No margin has been recognised, as in management's opinion the fair value of the construction services provided approximates the construction cost.

**Acquisition costs, restructuring and other provisions** represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group and other restructuring provisions. (2017 represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group and reversal of excess restructuring provisions in a subsidiary in the 'Middle East, Europe and Africa' region).

**Guaranteed minimum pension costs** relates to additional costs arising in respect of "guaranteed minimum pension" (GMP) based on a landmark High Court judgment confirming that UK pension schemes are required to equalise male and female members' benefits for the effect of unequal GMPs.

**Other income** represents non-recurring income for subsidiaries in the 'Middle East, Europe and Africa' region in 2017.

**Loss on disposal and change in ownership of business** relates to the loss on sale of a subsidiary in the 'Middle East, Europe and Africa' region. (2017 relates to the loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the 'Australia and Americas' region).

**Share of (loss)/ profit from equity-accounted investees** relates to transaction costs written off on extinguishment of debt and impairment of property, plant and equipment in equity-accounted investees in the 'Middle East, Europe and Africa' region and loss on termination of hedge in an equity-accounted investee in the 'Middle East, Europe and Africa' region. (2017 relates to release of deferred tax liability due to tax rate change in an equity-accounted investee in the 'Middle East, Europe and Africa' region offset by impairment of goodwill in an equity-accounted investee in the 'Asia Pacific and Indian subcontinent' region).

#### Finance income comprises:

- USD 117,474 thousand change in fair value of convertible bond option relates to the movement based on the re-measured fair value of the embedded derivative liability of the convertible bonds.
- USD 869 thousand (2017: USD 550 thousand) ineffective elements of hedges in subsidiaries in the 'Middle East, Europe and Africa' region and 'Asia Pacific and Indian subcontinent' region.
- USD 9,573 thousand gain on early settlement of loans in a subsidiary in the 'Middle East, Europe and Africa' region.



# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 9. Separately disclosed items (continued)

#### Finance costs comprises:

- USD 22,068 thousand interest accretion on convertible bond represents the accretion of the liability component as at the reporting date to the amount that will be payable on redemption of the convertible bond. (2017: USD 21,066 thousand interest accretion on convertible bond and USD 77,034 thousand change in fair value of convertible bond option based on the re-measured fair value of the embedded derivative liability of the convertible bonds).
- USD 5,885 thousand deferred transaction costs written off on early settlement and restructuring of loans in the 'Middle East, Europe and Africa' region.
- USD 1,432 thousand ineffective elements of hedges in subsidiaries in the 'Middle East, Europe and Africa' region
- USD 4,271 thousand impairment loss recognised on present valuation of receivables in a subsidiary in the 'Middle East, Europe and Africa' region.

**Income tax credit** relates to the release of deferred tax liability on account of a tax rate change in 2017.

### 10. Dividends

	2018	2017
	USD'000	USD'000
<b>Declared and paid during the year:</b>		
Final dividend: 41 US cents per share/ 38 US cents per share	340,300	315,400
<b>Proposed for approval at the annual general meeting</b>		
<i>(not recognised as a liability as at 31 December):</i>		
Final dividend: 43 US cents per share/ 41 US cents per share	356,900	340,300

### 11. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

	2018	2018	2017	2017
	Before separately disclosed items	Adjusted for separately disclosed items	Before separately disclosed items	Adjusted for separately disclosed items
	USD'000	USD'000	USD'000	USD'000
Profit attributable to the ordinary shareholders of the Company (a)	1,270,116	1,296,481	1,208,517	1,176,715
Adjustment for costs/ (income) related to convertible bonds saved as a result of the conversion	18,885	(76,521)	18,772	116,872
<b>Profit attributable to the ordinary shareholders of the Company after conversion (b)</b>	<b>1,289,001</b>	<b>1,219,960</b>	1,227,289	1,293,587
Weighted average number of basic shares outstanding as at 31 December (c)	830,000,000	830,000,000	830,000,000	830,000,000
Weighted average numbers of shares due to conversion of convertible bond **	37,475,985	37,475,985	36,846,510	36,846,510
<b>Total weighted average number of ordinary shares (diluted) outstanding – (d)</b>	<b>867,475,985</b>	<b>867,475,985</b>	866,846,510	866,846,510
<b>Basic earnings per share US cents – (a/c)</b>	<b>153.03</b>	<b>156.20</b>	145.60	141.77
<b>Diluted earnings per share US cents – (b/d)</b>	<b>148.59</b>	<b>140.63</b>	141.58	141.77*
<b>Anti-diluted earnings per share US cents – (b/d)</b>	-	-	-	149.23

\* Diluted earnings per share (adjusted for separately disclosed items) for the year ended 31 December 2017 is equal to basic earnings per share (adjusted for separately disclosed items) as it is antidilutive.

\*\* Effective 26 March 2018, the weighted average numbers of shares due to conversion of convertible bond has increased due to the reduction of conversion price from USD 27.1396 per share to USD 26.6837 on account of increase in dividend to USD 0.41 per share.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 12. Property, plant and equipment

	Land and buildings	Plant and equipment	Vessels	Capital work-in-progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Cost</b>					
As at 1 January 2017	4,171,575	4,265,781	278,250	1,325,605	10,041,211
Acquired through business combination *	6,542	391,172	40,707	-	438,421
Additions during the year	33,332	65,452	20,267	826,150	945,201
Transfers from capital work-in-progress	346,474	573,461	42,404	(962,339)	-
Transfer from investment properties (refer to note 13)	-	892	-	-	892
Disposals	(14,897)	(79,407)	(7,494)	-	(101,798)
Translation adjustment	85,339	187,437	21,345	41,298	335,419
As at 31 December 2017	4,628,365	5,404,788	395,479	1,230,714	11,659,346
<b>As at 1 January 2018</b>	<b>4,628,365</b>	<b>5,404,788</b>	<b>395,479</b>	<b>1,230,714</b>	<b>11,659,346</b>
Acquired through business combination *	365,424	154,456	-	31,228	551,108
Additions during the year	49,205	111,202	48,128	601,768	810,303
Transfers from capital work-in-progress	139,016	165,036	760	(304,812)	-
Transfer (to)/from investment properties (refer to note 13)	(7,361)	225	-	-	(7,136)
Derecognition due to loss of control (refer to note 24)	(302,399)	(168,862)	-	(3,740)	(475,001)
Disposals	(25,584)	(65,651)	(29,131)	(1,417)	(121,783)
Translation adjustment	(102,673)	(182,506)	(16,945)	(20,077)	(322,201)
As at 31 December 2018	4,743,993	5,418,688	398,291	1,533,664	12,094,636
<b>Depreciation and impairment</b>					
As at 1 January 2017	969,227	1,475,663	74,244	-	2,519,134
Charge for the year	144,389	252,720	21,826	-	418,935
Impairment loss	-	1,515	-	-	1,515
On disposals	(7,485)	(49,412)	(7,494)	-	(64,391)
Translation adjustment	20,160	56,008	10,614	-	86,782
As at 31 December 2017	1,126,291	1,736,494	99,190	-	2,961,975
<b>As at 1 January 2018</b>	<b>1,126,291</b>	<b>1,736,494</b>	<b>99,190</b>	<b>-</b>	<b>2,961,975</b>
Charge for the year	157,976	293,036	28,621	-	479,633
Derecognition due to loss of control (refer to note 24)	(84,167)	(77,362)	-	-	(161,529)
On disposals	(19,710)	(62,994)	(11,623)	-	(94,327)
Translation adjustment	(14,128)	(30,726)	(7,044)	-	(51,898)
As at 31 December 2018	1,166,262	1,858,448	109,144	-	3,133,854
<b>Net book value</b>					
At 31 December 2017	3,502,074	3,668,294	296,289	1,230,714	8,697,371
At 31 December 2018	3,577,731	3,560,240	289,147	1,533,664	8,960,782

\* The net book value of assets acquired through business combinations was USD 551,108 thousand (2017: USD 438,421 thousand).

In the prior years, the Group had entered into agreements with third parties pursuant to which the Group participated in a series of linked transactions including leasing and sub-leasing of certain cranes of the Group ("the Crane French Lease Arrangements"). At 31 December 2018, cranes with aggregate net book value amounting to USD 193,410 thousand (2017: USD 210,017 thousand) were covered by these Crane French Lease Arrangements. These cranes are accounted for as property, plant and equipment as the Group retains all the risks and rewards incidental to the ownership of the underlying assets.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 12. Property, plant and equipment (continued)

At 31 December 2018, property, plant and equipment with a carrying amount of USD 1,919,484 thousand (2017: USD 1,917,423 thousand) are pledged to bank loans (refer to note 30).

Borrowing costs capitalised to property, plant and equipment amounted to USD 3,515 thousand (2017: USD 5,121 thousand).

The fair value of property, plant and equipment recognised as a result of business combination was determined using the market approach model.

### 13. Investment properties

	Land USD'000	Buildings and infrastructure USD'000	Under development USD'000	Total USD'000
<b>Cost</b>				
As at 1 January 2017	33,609	1,070,611	237,542	1,341,762
Additions during the year	2,450	-	96,434	98,884
Transfers	-	92,736	(92,736)	-
Transfer to property, plant and equipment (refer to note 12)	-	-	(892)	(892)
Disposals	(251)	(15,500)	(1,196)	(16,947)
Translation adjustment	1,609	-	(287)	1,322
As at 31 December 2017	37,417	1,147,847	238,865	1,424,129
<b>As at 1 January 2018</b>	<b>37,417</b>	<b>1,147,847</b>	<b>238,865</b>	<b>1,424,129</b>
Additions during the year	19,851	-	63,601	83,452
Acquired through business combination *	175,113	97,161	17	272,291
Transfers	873	214,881	(215,754)	-
Transfer from/ (to) property, plant and equipment (refer to note 12)	-	7,361	(225)	7,136
Disposals	-	(4,372)	-	(4,372)
Translation adjustment	(2,451)	-	(334)	(2,785)
As at 31 December 2018	230,803	1,462,878	86,170	1,779,851
<b>Depreciation and impairment</b>				
As at 1 January 2017	-	61,437	-	61,437
Depreciation charge for the year	-	37,767	-	37,767
Impairment charge for the year	-	1,746	-	1,746
As at 31 December 2017	-	100,950	-	100,950
<b>As at 1 January 2018</b>	<b>-</b>	<b>100,950</b>	<b>-</b>	<b>100,950</b>
Depreciation charge for the year	-	47,471	-	47,471
Impairment charge for the year	1,492	7,808	-	9,300
As at 31 December 2018	1,492	156,229	-	157,721
<b>Net book value:</b>				
As at 31 December 2017	37,417	1,046,897	238,865	1,323,179
As at 31 December 2018	229,311	1,306,649	86,170	1,622,130

\* The net book value of assets acquired through business combinations was USD 272,291 thousand (2017: Nil).

Revenue on lease rentals from investment properties recognised in profit or loss amounted to USD 488,439 thousand (2017: USD 466,677 thousand) while associated costs related to these investment properties amounted to USD 67,673 thousand (2017: USD 114,478 thousand).

#### Land:

At 31 December 2018, the fair value of land was estimated to be USD 266,729 thousand (2017: USD 76,900 thousand) compared to the carrying value of USD 229,311 thousand (2017: USD 37,417 thousand).

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements *(continued)*

### **13. Investment properties (continued)**

#### **Buildings and infrastructure:**

At 31 December 2018, the fair value of buildings and infrastructure was USD 2,180,462 thousand (2017: USD 2,271,513 thousand) compared to the carrying value of USD 1,306,649 thousand (2017: USD 1,046,897 thousand).

#### **Investment properties under development:**

Investment properties under development mainly include infrastructure development, staff accommodation and office building in Jebel Ali Free Zone and Port Rashid, UAE. Based on management's assessment, the fair value of investment properties under development approximates their carrying value as at the reporting date.

#### **Key assumptions used in determination of the fair value of investment properties**

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the investment properties has been performed using income capitalization, comparable and residual methods of valuation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions and comparable benchmarking of rents and capital values and rentals in the wider corresponding market. The significant unobservable inputs used in the fair value measurement are as follows:

- Market rent (in the range of USD 81 to USD 816 per square metre per annum)
- Rent growth per annum (in the range of 2.5% to 7%)
- Historical and estimated long term occupancy rate (in the range of 80% to 95%)
- Yields rates (in the range of 8.70% to 11% per annum)

The fair value of investment properties are categorised under level 3 of fair value hierarchy and the Group considers the current use of these properties as their highest and best use.

#### **Sensitivity to changes in assumptions**

The estimated fair value would increase/ (decreases) due to increase/ (decrease) in market rent and rent growth rates. The fair value would also (decrease)/ increase if there is an increase/ (decrease) in yield rates.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 14. Intangible assets and goodwill

	Land use rights	Goodwill	Port concession rights and other intangible assets *	Total
	USD'000	USD'000	USD'000	USD'000
<b>Cost</b>				
As at 1 January 2017	2,677,717	1,355,783	4,433,712	8,467,212
Acquired through business combinations	-	-	365,287	365,287
Additions	-	-	87,662	87,662
Translation adjustment	-	114,598	331,731	446,329
As at 31 December 2017	2,677,717	1,470,381	5,218,392	9,366,490
<b>As at 1 January 2018</b>	<b>2,677,717</b>	<b>1,470,381</b>	<b>5,218,392</b>	<b>9,366,490</b>
Acquired through business combinations	-	663,824	739,723	1,403,547
Additions	-	-	14,470	14,470
Translation adjustment	-	(83,197)	(341,948)	(425,145)
As at 31 December 2018	2,677,717	2,051,008	5,630,637	10,359,362
<b>Amortisation and impairment</b>				
As at 1 January 2017	52,308	-	1,125,766	1,178,074
Charge for the year	29,200	-	146,308	175,508
Translation adjustment	-	-	92,254	92,254
As at 31 December 2017	81,508	-	1,364,328	1,445,836
<b>As at 1 January 2018</b>	<b>81,508</b>	<b>-</b>	<b>1,364,328</b>	<b>1,445,836</b>
Charge for the year	29,200	-	166,730	195,930
Translation adjustment	-	-	(115,555)	(115,555)
As at 31 December 2018	110,708	-	1,415,503	1,526,211
<b>Net book value:</b>				
As at 31 December 2017	2,596,209	1,470,381	3,854,064	7,920,654
As at 31 December 2018	2,567,009	2,051,008	4,215,134	8,833,151

\* Other intangible assets mainly include customer relationships with a net book value of USD 226,963 thousand (2017: USD 19,878 thousand) which is amortised over a period of 15 years.

Port concession rights include concession agreements which are mainly accounted for as part of business combinations and acquisitions. These concessions were determined to have finite and indefinite useful lives based on the terms of the respective concession agreements and the income approach model was used for the purpose of determining their fair values.

### 15. Properties held for development and sale

	2018
	USD'000
Balance at 1 January	-
Acquired through business combination	305,339
Additions during the year	64,427
Charge to income statement	(108,042)
As at 31 December	261,724

Properties held for development and sale consist of cost of land and related improvements comprising of certain plots of land in the commercial precinct located within the Dubai Maritime City. These properties were acquired through business combinations (refer to note 24).

The Group has future commitments towards infrastructure development of USD 198,721 thousand to be incurred over a period of 14 years in relation to these properties.

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience for the purpose of estimating the net realisable value of properties held for development and sale. The value of these properties have

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

been determined by using the discounted cash flow model using inputs based on the current lease rates, specific market conditions and comparable benchmarking of rents and capital values and rentals in the wider corresponding market.

The fair value of these properties are categorised under level 3 of fair value hierarchy.

### 16. Impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units, for the purpose of impairment testing.

Impairment testing is done at an operating port (or group of ports) level that represents an individual CGU. Details of the CGUs by operating segment are shown below:

	Carrying amount of goodwill		Carrying amount of port concession rights with indefinite useful life		Discount rates	Terminal value growth rate
	2018	2017	2018	2017		
	USD'000	USD'000	USD'000	USD'000		
<b>Cash-generating units aggregated by operating segment</b>						
Asia Pacific and Indian subcontinent	317,021	233,570	-	-	6.50% - 11.50%	2.50%
Australia and Americas	362,564	342,650	-	-	6.00% - 13.50%	2.50%
Middle East, Europe and Africa	1,371,423	894,161	803,606	848,880	6.00% - 16.50%	2.50%
<b>Total</b>	<b>2,051,008</b>	<b>1,470,381</b>	<b>803,606</b>	<b>848,880</b>		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

#### Key assumptions used in value in use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

*Budgeted margins* – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

*Discount rates* – These represent the cost of capital adjusted for the risks associated with the cash flows of the CGU being valued. The Group uses the post-tax Weighted Average Cost of Capital that represents a market participant discount rate.

*Cost inflation* – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating.

*Terminal value growth rate* – In management's view, the terminal value growth rate is the minimum growth rate expected to be achieved beyond the eight year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio.

The values assigned to key assumptions are consistent with the past experience of management.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (*continued*)

### **Sensitivity to changes in assumptions**

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. The analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in significant impairment. Similarly, an increase of 0.25% in discount rate and decrease of 0.25% in terminal value growth rate would not result in significant impairment.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to the consolidated financial statements (continued)

### 17. Investment in equity-accounted investees

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value adjustments (using income approach model) at acquisition together with the carrying amount of the Group's interest in equity-accounted investees as included in the consolidated statement of financial position:

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	528,727	619,948	172,335	138,293	308,196	239,142	1,009,258	997,383
Other current assets	283,398	186,374	142,351	106,289	256,118	265,891	681,867	558,554
Non-current assets	6,006,312	6,396,749	1,798,701	1,586,116	2,710,080	2,813,120	10,515,093	10,795,985
<b>Total assets</b>	<b>6,818,437</b>	<b>7,203,071</b>	<b>2,113,387</b>	<b>1,830,698</b>	<b>3,274,394</b>	<b>3,318,153</b>	<b>12,206,218</b>	<b>12,351,922</b>
Current financial liabilities	30,912	25,951	2,016	17,027	33,438	61,144	66,366	104,122
Other current liabilities	469,995	434,519	191,520	181,136	316,002	293,921	977,517	909,576
Non-current financial liabilities	731,162	973,497	1,485,084	1,282,768	742,111	579,555	2,958,357	2,835,820
Other non-current liabilities	571,602	430,311	43,289	17,105	400,004	583,467	1,014,895	1,030,883
<b>Total liabilities</b>	<b>1,803,671</b>	<b>1,864,278</b>	<b>1,721,909</b>	<b>1,498,036</b>	<b>1,491,555</b>	<b>1,518,087</b>	<b>5,017,135</b>	<b>4,880,401</b>
<b>Net assets (100%)</b>	<b>5,014,766</b>	<b>5,338,793</b>	<b>391,478</b>	<b>332,662</b>	<b>1,782,839</b>	<b>1,800,066</b>	<b>7,189,083</b>	<b>7,471,521</b>
<b>Group's share of net assets in equity-accounted investees</b>							<b>2,101,425</b>	<b>2,172,683</b>
Revenue	1,451,106	1,375,504	622,280	656,529	832,827	746,085	2,906,213	2,778,118
Depreciation and amortisation	(280,241)	(263,768)	(73,543)	(92,531)	(119,954)	(107,066)	(473,738)	(463,365)
Other expenses	(578,578)	(566,946)	(452,781)	(458,788)	(580,194)	(526,943)	(1,611,553)	(1,552,677)
Interest expense	(74,136)	(70,211)	(154,283)	(223,476)	(61,689)	(46,505)	(290,108)	(340,192)
Other finance income	19,676	21,225	4,238	51,386	1,049	(646)	24,963	71,965
Income tax expense	(138,848)	(138,080)	(500)	(26,530)	(16,016)	(17,487)	(155,364)	(182,097)
<b>Net profit/ (loss) (100%)</b>	<b>398,979</b>	<b>357,724</b>	<b>(54,589)</b>	<b>(93,410)</b>	<b>56,023</b>	<b>47,438</b>	<b>400,413</b>	<b>311,752</b>
<b>Group's share of profit (before separately disclosed items)</b>							<b>165,067</b>	<b>123,592</b>
<b>Group's share of dividends received</b>							<b>207,752</b>	<b>114,695</b>
<b>Group's share of other comprehensive income</b>							<b>843</b>	<b>3,988</b>



# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 18. Accounts receivable and prepayments

	2018	2018	2017	2017
	Non-current	Current	Non-current	Current
	USD'000	USD'000	USD'000	USD'000
Trade receivables (net)	-	659,383	-	454,052
Advances paid to suppliers	-	108,858	-	69,776
Other receivables and prepayments	231,720	549,782	167,886	298,160
Due from related parties (refer to note 26)	342,850	60,156	313,855	49,554
<b>Total</b>	<b>574,570</b>	<b>1,378,179</b>	<b>481,741</b>	<b>871,542</b>

The Group's exposure to credit and currency risks are disclosed in note 27.

### 19. Cash and cash equivalents

	2018	2017
	USD'000	USD'000
Cash at banks and in hand	713,083	651,675
Short-term deposits	1,862,758	815,854
Deposits under lien	38,869	16,150
<b>Cash and cash equivalents for consolidated statement of cash flows</b>	<b>2,614,710</b>	<b>1,483,679</b>

Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates.

The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries.

### Cash flow information

		2018	2017
	Note	USD'000	USD'000
<b>Cash flows from operating activities</b>			
Profit for the year		1,357,617	1,330,746
<i>Adjustments for:</i>			
Depreciation and amortization	6	817,035	632,210
Impairment loss	6	9,300	3,602
Share of profit from equity-accounted investees (net of tax)		(155,489)	(127,764)
Finance costs	7	609,547	523,510
Gain on sale of property, plant and equipment		(9,702)	(5,172)
Loss on disposal and change in ownership of business	9	3,591	28,234
Finance income	7	(269,244)	(96,090)
Income tax expense	8	223,607	43,330
<b>Gross cash flows from operations</b>		<b>2,586,262</b>	<b>2,332,606</b>

### 20. Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2018	2017
	USD'000	USD'000
As at 1 January	122,230	112,594
Transferred on acquisition of entities under common control	35,612	-
Provision made during the year	35,446	20,560
Amounts paid during the year	(31,659)	(12,607)
Actuarial loss on defined benefit plan	2,048	-
Translation	(4,444)	1,683
<b>As at 31 December</b>	<b>159,233</b>	<b>122,230</b>

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (*continued*)

### **20. Employees' end of service benefits (continued)**

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at 31 December 2018 in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The assessment assumed expected salary increases averaging 3.50% and a discount rate of 3.75% per annum. The present values of the defined benefit obligations at 31 December 2018 were computed using the actuarial assumptions set out above.

In addition to the above, the Group contributes 15% of the 'contribution calculation salary' in case of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss as incurred.

### **21. Pension and post-employment benefits**

The Group participates in a number of pension schemes throughout the world.

#### **a) P&O Pension Scheme**

This principal scheme is located in the UK (the "P&O UK Scheme"). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002 and to future accrual on 31 December 2015. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the most recent valuation was at 31 March 2016 using the projected unit credit method. The deficit on a statutory funding objectives basis was USD 116,362 thousand. The Group agreed with the Trustee to a new monthly deficit payment plan effective from 1 April 2016 of USD 11,508 thousand until 31 March 2020, then increasing to a total of USD 13,107 thousand until 31 March 2024 and then increasing to USD 15,344 thousand a year until 30 November 2026.

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

In 2017, the Group entered into a Flexible Apportionment Arrangement which enabled a related party to withdraw as an employer from the P&O Pension Scheme, following which all current and future deficit liabilities of the Scheme were taken over by the Group with an additional cash contribution of USD 17,583 thousand.

#### **b) Merchant Navy Officers' Pension Fund ("MNOPF Scheme")**

The Group participates in various industry multi-employer schemes, the most significant of which is the New Section of the MNOPF Scheme and is in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

It is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated.

The most recent formal actuarial valuation of the New Section of MNOPF Scheme was carried out as at 31 March 2015. This resulted in a deficit of USD 4,058 thousand. The Trustee Board believe their investment strategy will address this deficit and therefore has not issued deficit contribution notices to employers in respect of the 2015 actuarial valuation. The New Section of the MNOPF Scheme closed to future accrual in April 2016.

Following earlier actuarial valuations in 2009 and 2012 the Trustee and Employers agreed contributions to be paid to the Section by participating employers over the period to 30 September 2023. These contributions included an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share. In September 2017, the Trustee offered a settlement sum of USD 18,839 thousand to the Group which would clear the outstanding contributions (due payable bi-annually to September 2023) and save the Group USD 2,653 thousand in future interest payments. The Group agreed and settled the payment on 28 September 2017. There are no outstanding contributions due by the Group in 2019.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 21. Pension and post-employment benefits (continued)

The triennial actuarial valuation as at 31 March 2018 is yet to be finalised. The initial indications given by the Trustee Board is that, there is an immaterial deficit.

In 2016, Group has accounted for an amount of USD 91,281 thousand as an additional defined benefit obligation with regards to reappportionment of deficit contribution from a related party. In April 2017, this liability was borne and paid by the Parent Company.

The Group's share of the net deficit of the MNOPF Scheme at 31 December 2018 is estimated at 5.36%.

#### c) Merchant Navy Ratings' Pension Fund ("MNRPF Scheme")

The MNRPF Scheme is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual from 2001.

Certain Group companies, which are no longer current employers in the MNRPF Scheme had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustee could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed, the decision was not overturned.

The Group's deficit contributions arising from the 31 March 2014 valuation totalled USD 36,187 thousand. The most recent formal actuarial valuation was carried out as at 31 March 2017. The Group's deficit contributions arising from this valuation totalled USD 9,874 thousand. The contributions due to the Scheme in respect of this valuation will be paid over the period to 31 October 2023. The combined total annual deficit contributions arising from the 2014 and 2017 actuarial valuations to be paid in 2019 of USD 5,862 thousand, in 2020 to 2022 of USD 5,716 thousand per annum and USD 1,181 thousand in 2023.

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The Group's share of the net deficit of the New Section at 31 December 2018 is estimated at 7.38%.

#### d) Others

The Group also operates a number of smaller defined benefit and defined contribution schemes.

The board of a pension scheme in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans, if appropriate.

These defined benefit schemes expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

#### Reconciliation of assets and liabilities recognised in the consolidated statement of financial position

	2018	2017
	USD'000	USD'000
<b>Non-current</b>		
Defined benefit schemes net liabilities	156,762	187,037
Liability in respect of long service leave	167	331
Liability for other non-current deferred compensation	153	202
	<b>157,082</b>	187,570
<b>Current</b>		
Liability for current deferred compensation	7,066	7,324
<b>Net liabilities</b>	<b>164,148</b>	194,894
<i>Reflected in the consolidated statement of financial position as follows:</i>		
Employee benefits assets (included within non-current receivables)	-	-
Employee benefits liabilities: Non-current	157,082	187,570
Employee benefits liabilities: Current	7,066	7,324

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 21. Pension and post-employment benefits (continued)

Long term employee benefit expense recognised in consolidated statement of profit and loss consist of following:

	2018	2017
	USD'000	USD'000
Defined benefit schemes *	36,281	7,722
Defined contribution schemes	12,500	11,664
Other employee benefits	988	1,545
<b>Total</b>	<b>49,769</b>	<b>20,931</b>

\* This includes USD 27,744 thousand additional costs arising in 2018 in respect of “guaranteed minimum pension” (GMP) based on a landmark High Court judgment in the UK (refer to note 9).

The re-measurements of the net defined benefit liability gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2018	2017
	USD'000	USD'000
Actuarial gain recognised in the year	(124,982)	(51,610)
Return on plan assets greater/ (lesser) than the discount rate	120,786	(58,045)
Change in share in multi-employer scheme	133	643
Movement in minimum funding liability	(26,944)	108,881
<b>Total</b>	<b>(31,007)</b>	<b>(131)</b>

### Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2018 by qualified independent actuaries. The principal assumptions are included in the table below. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme	MNOFP scheme	Other schemes	P&O UK scheme	MNOFP scheme	Other schemes
	2018	2018	2018	2017	2017	2017
Discount rates	2.85%	2.85%	3.00%	2.50%	2.50%	2.50%
Discount rates bulk annuity asset	2.65%	-	-	2.30%	-	-
Expected rates of salary increases	-*	-*	2.4%	-*	-*	2.4%
Pension increases:						
deferment	3.00%	2.55%	2.80%	3.00%	2.45%	2.80%
payment	3.00%	3.45%	3.20%	3.00%	3.35%	3.10%
Inflation	3.55%	3.55%	3.30%	3.45%	3.45%	3.30%

\* The P&O UK Scheme and MNOFP were closed to future accrual as at 31 March 2016, so future pay increases are not relevant.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 21. Pension and post-employment benefits (continued)

The assumptions for pensioner longevity under both the P&O UK Scheme and the New Section of the MNO PF Scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	Age 65 in 20 years' time	Age 65 now	Age 65 in 20 years' time
<b>2018</b>				
P&O UK scheme	21.6	23.2	23.5	25.3
MNO PF scheme	23.2	26.1	26.6	29.4
2017				
P&O UK scheme	21.9	23.7	23.8	25.6
MNO PF scheme	23.0	26.0	26.4	29.3

At 31 December 2018, the weighted average duration of the defined benefit obligation was 14.0 years (2017: 15.6 years).

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2018 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	4,500
0.1% increase in inflation assumption and related assumptions	1,800
0.25% p.a. increase in the long term rate of mortality improvement	2,000

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme	MNO PF scheme	Other schemes	Total group schemes fair value
	USD'000	USD'000	USD'000	USD'000
<b>2018</b>				
Equities	199,733	65,214	58,053	323,000
Bonds	248,068	150,759	173,134	571,961
Other	270,317	-	36,443	306,760
Value of insured pensioner liability	901,228	-	2,430	903,658
<b>Total</b>	<b>1,619,346</b>	<b>215,973</b>	<b>270,060</b>	<b>2,105,379</b>
2017				
Equities	260,221	89,400	66,002	415,623
Bonds	349,486	164,735	184,887	699,108
Other	190,432	-	38,005	228,437
Value of insured pensioner liability	1,033,581	-	2,840	1,036,421
<b>Total</b>	<b>1,833,720</b>	<b>254,135</b>	<b>291,734</b>	<b>2,379,589</b>

With the exception of the insured pensioner liability, all material investments have quoted prices in active markets.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 21. Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2018 and 31 December 2017:

	P&O UK scheme	MNOFP scheme	Other schemes	Total group schemes	P&O UK scheme	MNOFP scheme	Other schemes	Total group schemes
	2018	2018	2018	2018	2017	2017	2017	2017
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Present value of obligation at 1 January</b>	<b>(1,842,376)</b>	<b>(227,085)</b>	<b>(355,558)</b>	<b>(2,425,019)</b>	<b>(1,763,587)</b>	<b>(223,797)</b>	<b>(317,436)</b>	<b>(2,304,820)</b>
Employer's interest cost	(44,284)	(5,469)	(8,720)	(58,473)	(45,046)	(5,663)	(8,668)	(59,377)
Employer's current service cost	-	-	(4,002)	(4,002)	-	-	(4,118)	(4,118)
Employer's past service cost*	(23,743)	(1,067)	(2,934)	(27,744)	-	-	-	-
Contributions by scheme participants	-	-	(1,200)	(1,200)	-	-	(1,158)	(1,158)
Effect of movement in exchange rates	95,931	11,806	18,228	125,965	(164,505)	(20,534)	(30,484)	(215,523)
Benefits paid	93,504	12,672	14,539	120,715	92,022	10,811	10,167	113,000
Experience (losses)/ gains on scheme liabilities	-	(1,734)	133	(1,601)	9,653	8,366	(1,287)	16,732
Change in share in multi-employer scheme	-	-	(5,869)	(5,869)	(7,979)	3,346	-	(4,633)
Actuarial gain on scheme liabilities due to change in demographic assumptions	9,737	-	7,470	17,207	33,977	-	2,574	36,551
Actuarial gains/(losses) on scheme liabilities due to change in financial assumptions	76,030	9,737	23,609	109,376	3,089	386	(5,148)	(1,673)
<b>Present value of obligation at 31 December</b>	<b>(1,635,201)</b>	<b>(201,140)</b>	<b>(314,304)</b>	<b>(2,150,645)</b>	<b>(1,842,376)</b>	<b>(227,085)</b>	<b>(355,558)</b>	<b>(2,425,019)</b>

\* This relates to additional costs arising in respect of "guaranteed minimum pension" (GMP) based on a landmark High Court judgment in the UK (refer to note 9)

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 21. Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value of fair value of scheme assets for the period ended 31 December 2018 and 31 December 2017:

	P&O UK scheme	MNOPF scheme	Other schemes	Total group schemes	P&O UK scheme	MNOPF scheme	Other schemes	Total group schemes
	2018	2018	2018	2018	2017	2017	2017	2017
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Fair value of scheme assets at 1 January	1,833,720	254,135	291,734	2,379,589	1,644,591	126,649	243,794	2,015,034
Interest income on assets	44,151	6,136	7,154	57,441	42,214	5,148	6,821	54,183
Return on plan assets (lesser) / greater than the discount rate	(78,698)	(18,407)	(23,681)	(120,786)	45,432	3,346	9,267	58,045
Contributions by employer	12,005	-	18,674	30,679	28,958	116,217	17,375	162,550
Contributions by scheme participants	-	-	1,200	1,200	-	-	1,158	1,158
Effect of movement in exchange rates	(95,127)	(12,819)	(15,284)	(123,230)	159,013	17,704	24,516	201,233
Benefits paid	(93,504)	(12,672)	(14,539)	(120,715)	(92,022)	(10,811)	(10,167)	(113,000)
Change in share in multi-employer scheme	-	-	5,736	5,736	7,722	(3,732)	-	3,990
Administration costs incurred during the year	(3,201)	(400)	(934)	(4,535)	(2,188)	(386)	(1,030)	(3,604)
<b>Fair value of scheme assets at 31 December</b>	<b>1,619,346</b>	<b>215,973</b>	<b>270,060</b>	<b>2,105,379</b>	<b>1,833,720</b>	<b>254,135</b>	<b>291,734</b>	<b>2,379,589</b>
Defined benefit schemes net liabilities	(15,855)	14,833	(44,244)	(45,266)	(8,656)	27,050	(63,824)	(45,430)
Minimum funding liability	(80,174)	(14,833)	(16,489)	(111,496)	(103,872)	(27,050)	(10,685)	(141,607)
<b>Net liability recognised in the consolidated statement of financial position at 31 December</b>	<b>(96,029)</b>	<b>-</b>	<b>(60,733)</b>	<b>(156,762)</b>	<b>(112,528)</b>	<b>-</b>	<b>(74,509)</b>	<b>(187,037)</b>

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 21. Pension and post-employment benefits (continued)

A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

The below table shows the movement in minimum funding liability:-

	<b>2018</b>	2017
	<b>USD'000</b>	USD'000
Minimum funding liability as on 1 January	<b>(141,607)</b>	(24,194)
Employer's interest cost	<b>(3,468)</b>	(643)
Actuarial gain/ (loss) during the year	<b>26,944</b>	(108,881)
Effect of movement in exchange rates	<b>6,635</b>	(7,889)
<b>Minimum funding liability as on 31 December</b>	<b>(111,496)</b>	(141,607)

It is anticipated that the Group will make the following contributions to the pension schemes in 2019:

	<b>P&amp;O UK scheme</b>	<b>MNOFF scheme</b>	<b>Other schemes</b>	<b>Total group schemes</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Pension scheme contributions	<b>11,508</b>	-	<b>12,403</b>	<b>23,911</b>

### 22. Accounts payable and accruals

	<b>2018</b>	<b>2018</b>	2017	2017
	<b>Non-current</b>	<b>Current</b>	Non-current	Current
	<b>USD'000</b>	<b>USD'000</b>	USD'000	USD'000
Trade payables	-	<b>324,185</b>	-	197,946
Other payables and accruals	<b>151,593</b>	<b>1,914,885</b>	141,363	1,698,238
Provisions*	<b>586</b>	<b>49,984</b>	889	39,355
Fair value of derivative financial instruments	<b>193,288</b>	<b>773</b>	339,966	-
Amounts due to related parties (refer to note 26)	-	<b>15,900</b>	-	12,242
<b>As at 31 December</b>	<b>345,467</b>	<b>2,305,727</b>	482,218	1,947,781

\* During the current year, additional provision of USD 45,224 thousand was made (2017: USD 21,227 thousand) and an amount of USD 34,898 thousand was utilised (2017: USD 39,063 thousand).



# DP World PLC (formerly DP World Limited) and its subsidiaries

Notes to consolidated financial statements (continued)

## 23. Non-controlling interests ('NCI')

The following table summarises the financial information for the material NCI of the Group:

	Middle East, Europe and Africa region	Asia Pacific and Indian subcontinent	Australia and Americas	Other subsidiaries*	Total	Middle East, Europe and Africa region	Asia Pacific and Indian subcontinent	Australia and Americas	Other subsidiaries*	Total
	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance sheet information:</b>										
Non-current assets	-	937,532	1,045,943			292,405	531,769	939,020		
Current assets	-	220,275	467,645			117,453	155,497	393,979		
Non-current liabilities	-	(82,979)	(847,466)			(912)	(20,163)	(851,750)		
Current liabilities	-	(69,426)	(348,080)			(19,565)	(31,056)	(325,951)		
<b>Net assets (100%)</b>	-	<b>1,005,402</b>	<b>318,042</b>			<b>389,381</b>	<b>636,047</b>	<b>155,298</b>		
Carrying amount of fair value adjustments excluding goodwill	-	194,982	155,702			-	205,144	170,147		
<b>Total</b>	-	<b>1,200,384</b>	<b>473,744</b>			<b>389,381</b>	<b>841,191</b>	<b>325,445</b>		
<b>Carrying amount of NCI as at 31 December</b>	-	<b>381,621</b>	<b>182,582</b>	<b>123,517</b>	<b>687,720</b>	<b>259,837</b>	<b>285,727</b>	<b>146,450</b>	<b>119,187</b>	<b>811,201</b>
<b>Statement of profit or loss information:</b>										
Revenue	-	282,679	351,423			237,235	224,141	310,274		
Profit after tax	-	56,936	37,091			130,309	63,569	30,233		
Other comprehensive income, net of tax	-	(48,871)	(28,340)			546	95,976	32,318		
Total comprehensive income (100%), net of tax	-	8,065	8,751			130,855	159,545	62,551		
Profit allocated to NCI	-	19,019	16,691	25,426	61,136	86,903	21,594	13,605	31,929	154,031
Other comprehensive income attributable to NCI	-	(17,344)	(12,753)	(1,268)	(31,365)	364	32,603	14,543	556	48,066
Total comprehensive income attributable to NCI	-	1,675	3,938	24,158	29,771	87,267	54,197	28,148	32,485	202,097
<b>Cash flow statement information:</b>										
Cash flows from operating activities	-	86,315	124,247			(30,806)	105,407	49,291		
Cash flows from investing activities	-	(27,915)	(167,984)			(10,072)	(64,858)	(99,666)		
Cash flows from financing activities	-	(69,563)	79,573			(151,995)	(50,425)	55,902		
Dividends paid to NCI	-	23,760	-			198,375	17,332	-		

\* There are no material subsidiaries with NCI in the other operating segments of the Group.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 24. Business combinations

#### Acquisition of new subsidiaries

- (a) On 11 January 2018, the Group acquired 100% stake in Drydocks World LLC ('DDW') in United Arab Emirates from its Ultimate Parent Company by means of a capital injection of USD 225,000 thousand. DDW is a market leader in the ship repair business with the largest ship repair yard in the Middle East. The business delivers stable ship and rig repair revenues and has specialist capabilities in niche ship newbuilds and conversions. This acquisition will integrate well into P&O Maritime, which is the Group's 100% owned maritime services subsidiary:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
<b>Assets</b>		
Property, plant and equipment	193,148	193,148
Concession rights (intangible assets)	-	480,315
Inventories	19,035	19,035
Accounts receivables and prepayments	299,920	299,920
Bank balances and cash	87,628	87,628
<b>Liabilities</b>		
Interest bearing loans and borrowings	(638,190)	(638,190)
Accounts payable and accruals	(181,481)	(181,481)
Employees' end of service benefits	(35,375)	(35,375)
<b>Net assets acquired</b>	<b>(255,315)</b>	<b>225,000</b>
<b>For cash flow statement:</b>		
Cash injected on acquisition		(225,000)
Cash acquired on acquisition		87,628
<b>Net cash paid on acquisition</b>		<b>(137,372)</b>

Acquisition related costs of USD 6,500 thousand were expensed and included in general and administrative expenses.

- (b) On 11 January 2018, the Group acquired 100% stake in Dubai Maritime City ('DMC') in United Arab Emirates from its Ultimate Parent Company for a purchase consideration of USD 180,000 thousand. DMC is a world class maritime service facility and industrial business zone in a prime location of central Dubai and adjacent to the Group's Port Rashid. It is a maritime focused commercial and industrial park and provides additional land as an alternative to the highly-occupied Group operated Jebel Ali Free Zone:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
<b>Assets</b>		
Property, plant and equipment	1,239	1,239
Investment properties	272,291	272,291
Properties held for development and sale	38,214	305,339
Accounts receivables and prepayments	2,439	2,439
Bank balances and cash	10,375	10,375
<b>Liabilities</b>		
Employees' end of service benefits	(237)	(237)
Accounts payable and accruals	(411,446)	(411,446)
<b>Net assets acquired</b>	<b>(87,125)</b>	<b>180,000</b>

# DP World PLC (formerly DP World Limited) and its subsidiaries

Notes to consolidated financial statements *(continued)*

<b>For cash flow statement:</b>		
Cash paid on acquisition		<b>(180,000)</b>
Cash acquired on acquisition		<b>10,375</b>
<b>Net cash paid on acquisition</b>		<b>(169,625)</b>

Acquisition related costs of USD 3,500 thousand were expensed and included in general and administrative expenses.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 24. Business combinations (continued)

- (c) On 31 January 2018, the Group through its subsidiary P&O Maritime B.V acquired 51% stake in LBS B.V. (“LBS Group”) which holds 100% ownership in Ukrainian Marine Operating Company (LB Shipping LLC) for a purchase consideration of USD 20,258 thousand. This acquisition has resulted in recognition of intangible assets amounting to USD 47,758 thousand, deferred tax liabilities of USD 8,597 thousand and non-controlling interests of USD 19,464 thousand.
- (d) On 25 May 2018, the Group acquired 100% stake in Cosmos Agencia Marítima S.A.C. (CAM) in Peru for a purchase consideration of USD 224,225 thousand. CAM owns a fully integrated logistics service business (Neptunia S.A. and Triton Transport S.A.) that offers end-to-end solutions to its customers. The logistics division offers an integrated platform of solutions in activities related to foreign trade, product storage and distribution, as well as freight services that facilitate development and implementation of industry specific projects. This acquisition supports our recent strategy of extending the Group’s core business into complementary sectors:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
<b>Assets</b>		
Property, plant and equipment	164,322	149,019
Investment in equity-accounted investees	47,462	76,708
Accounts receivables and prepayments	37,937	37,937
Inventories	3,036	3,036
Bank balances and cash	2,148	2,148
<b>Liabilities</b>		
Interest bearing loans and borrowings	(11,423)	(11,423)
Deferred tax liabilities	(35,920)	(31,405)
Accounts payable and accruals	(47,211)	(47,211)
<b>Net assets acquired</b>	<b>160,351</b>	<b>178,809</b>
<b>Goodwill arising on acquisition</b>		<b>45,416</b>
<b>Total consideration paid</b>		<b>224,225</b>
<b>For cash flow statement:</b>		
Cash paid on acquisition		(224,225)
Cash acquired on acquisition		2,148
<b>Net cash paid on acquisition</b>		<b>(222,077)</b>

Acquisition related costs of USD 2,800 thousand were expensed and included in general and administrative expenses.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for the tax purposes of tangible and intangible assets.

The goodwill is attributable mainly to the skills and technical talent of acquiree’s work force, and the synergies expected to be achieved from integrating the company into the Group’s existing business. None of the goodwill recognised is expected to be deductible for tax purposes

- (e) On 17 July 2018, the Group acquired 90% stake in Continental Warehousing Corporation (Nhava Seva) Ltd (CWCNSL) in India through its subsidiary Hindustan Infralog Private Limited (HIPL), a joint venture between the Group and National Investment and Infrastructure Fund (NIIF) for a purchase consideration of USD 247,845 thousand. The Group’s effective ownership in CWCNSL is 58.50%.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 24. Business combinations (continued)

CWCNSL is a leading integrated multimodal logistics provider of Warehousing, Container Freight Stations (CFS), Inland Container Depots (ICD), Private Freight Terminals (PFT), integrated logistics solutions, door-to-door logistics solutions including freight forwarding, third party logistics, express logistics and hub-and-spoke model of delivery. CWCNSL's logistics network is spread across key strategic locations in India. This acquisition supports of the Group's growth strategy in complementary sectors of the global supply chain.

The carrying value and fair value of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
<b>Assets</b>		
Property, plant and equipment	165,893	202,811
Accounts receivables and prepayments	50,438	50,438
Bank balances and cash	926	926
<b>Liabilities</b>		
Interest bearing loans and borrowings	(77,658)	(77,658)
Accounts payable and accruals	(14,643)	(14,643)
<b>Net assets acquired</b>	<b>124,956</b>	<b>161,874</b>
<b>Less: NCI created on acquisition</b>		<b>(16,187)</b>
<b>Net assets acquired by owners</b>		<b>145,687</b>
<b>Goodwill arising on acquisition</b>		<b>102,158</b>
<b>Total consideration paid</b>		<b>247,845</b>
<b>For cash flow statement:</b>		
Cash paid on acquisition		(247,845)
Cash acquired on acquisition		926
<b>Net cash paid on acquisition</b>		<b>(246,919)</b>

Acquisition related costs of USD 3,600 thousand were expensed and included in general and administrative expenses.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate shares of its interest in the acquiree's identifiable net assets.

The goodwill is attributable mainly to the skills and technical talent of acquiree's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

- (f) On 6 December 2018, the Group acquired 100% stake in Unifeeder Group ("Unifeeder"), for a purchase consideration of USD 600,106 thousand. Unifeeder operates the largest and most densely connected common user container feeder and an important and growing shortsea network in Europe, serving both deep-sea container hubs and the intra-Europe container freight market.

The acquisition of Unifeeder will further enhance the Group's presence in the global supply chain and broaden product offering to customers, with a view to ultimately reduce inefficiencies and improve the competitiveness of global trade. The current operations of Unifeeder are complementary to the Group's existing business and provides future growth opportunities.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

The carrying value and fair value of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
<b>Assets</b>		
Property, plant and equipment	4,802	4,802
Other intangible assets	-	211,647
Accounts receivables and prepayments	69,398	69,398
Inventories	7,578	7,578
Bank balances and cash	69,333	69,333
<b>Liabilities</b>		
Interest bearing loans and borrowings	(204,869)	(204,869)
Accounts payable and accruals	(74,033)	(74,033)
<b>Net assets acquired</b>	<b>(127,791)</b>	<b>83,856</b>
<b>Goodwill arising on acquisition</b>		<b>516,250</b>
<b>Total consideration paid</b>		<b>600,106</b>
<b>For cash flow statement:</b>		
Cash paid on acquisition		(600,106)
Cash acquired on acquisition		69,333
<b>Net cash paid on acquisition</b>		<b>(530,773)</b>

Acquisition related costs of USD 9,164 thousand were expensed and included in general and administrative expenses.

Unifeeder is subject to Danish tonnage tax and not to corporate tax. Accordingly, no deferred tax liability has been recognised.

The goodwill is attributable mainly to the skills and technical talent of acquiree's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

From the acquisition date, these all acquisitions have contributed a combined revenue of USD 811,530 thousand and combined operating profit of USD 237,883 thousand to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have increased by USD 1,528,361 thousand and consolidated operating profit for the period would have increased by USD 53,737 thousand. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (*continued*)

### 25. Significant group entities

The extent of the Group's ownership in its various subsidiaries, equity-accounted investees and their principal activities are as follows:

#### a) Significant holding companies

<b>Legal Name</b>	<b>Ownership interest</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
DP World FZE	100%	United Arab Emirates	Development and management of international marine and inland terminal operations
Thunder FZE	100%	United Arab Emirates	Holding company
The Peninsular and Oriental Steam Navigation Company Limited	100%	United Kingdom	Management and operation of international marine terminal operations
Economic Zones World FZE	100%	United Arab Emirates	Development, management and operation of free zones, economic zones, industrial zones and logistics parks
DP World Australia (POSN) Pty Ltd	100%	Australia	Holding company
DPI Terminals Asia Holdings Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DPI Terminals Asia (BVI) Limited	100%	British Virgin Islands	Holding company
Hindustan Infralog Private Limited	65%	India	Holding company
Hindustan Ports Private Limited	100%	India	Holding company
DP World Ports Cooperatieve U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperatieve U.A.	100%	Netherlands	Holding company

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 25. Significant group entities (continued)

#### b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
Empresa Brasileira de Terminais Portuários S.A.	100%	Brazil	Container terminal operations
DP World (Canada) Inc.	55%	Canada	Container terminal operations
DP World Prince Rupert Inc.	55%	Canada	Container terminal operations
DP World Saint John, Inc.	100%	Canada	Container terminal operations
DP World Limassol Limited	75%	Cyprus	Multi-purpose and general cargo terminal operations
DP World Sokhna SAE	100%	Egypt	Container terminal operations
DPWorld Posorja S.A.	78%	Ecuador	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Private Ltd	81.63%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	100%	India	Container terminal operations
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A.	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	75%	Pakistan	Container terminal operations
DP World Callao S.R.L.	100%	Peru	Container terminal operations
Doraleh Container Terminal S.A. #	33.34%**	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	60%	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	60%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	100%	Romania	Container terminal operations
DP World Dakar SA	90%	Senegal	Container terminal operations
DP World Berbera	65%	Somaliland	Container terminal operations
Pusan Newport Co., Ltd	66.03%	South Korea	Container terminal operations
DP World Tarragona SA	60%	Spain	Container terminal operations
DP World Yarımca Liman İşletmeleri AS	100%	Turkey	Container terminal operations
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Container terminal operations



# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 25. Significant group entities (continued)

#### c) Associates and joint ventures – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World DjenDjen Spa	50%	Algeria	Container terminal operations
DP World Australia (Holding) Pty Ltd	25%	Australia	Container terminal operations
Antwerp Gateway N.V	60%*	Belgium	Container terminal operations
Caucedo Investments Inc.	50%	British Virgin Islands	Container terminal operations
Eurofos SARL	50%	France	Container terminal operations
Generale de Manutention Portuaire S.A	50%	France	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations
Visakha Container Terminals Private Limited	26%	India	Container terminal operations
PT Terminal Petikemas Surabaya	49%	Indonesia	Container terminal operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Ltd	29%	People's Republic of China	Container terminal operations
Tianjin Orient Container Terminals Co., Ltd	24.50%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	12.50%	People's Republic of China	Container terminal operations
Terminales Portuarios Euroandinos Paita S.A.	50%	Peru	Container terminal operations
Asian Terminals Inc	50.54%*	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	34.50%	Thailand	Container terminal operations

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 25. Significant group entities (continued)

#### d) Other non-port business

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
DP World Antwerp Terminals N.V.	100%	Belgium	Ancillary container services
Unifeeder A/S	100%	Denmark	Maritime transport and logistics
Unimed Feeder Services A/S	100%	Denmark	Maritime transport and logistics
DP World Germersheim GmbH and Co. KG	100%	Germany	Inland container terminal operations
DP World Germany B.V.	100%	Netherlands	Inland container terminal operations
Container Rail Road Services Pvt Limited	100%	India	Container rail freight operations
Continental Warehousing Corporation (Nhava Seva) Limited	58.50%	India	Logistics, warehousing and transportation services
Nhava Sheva Business Park Private Limited	65.00%	India	Free trade warehousing zone
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services
Maputo Intermodal Container Depot, SA	50.00%	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo, S.A.	24.74%	Mozambique	Port management and cargo handling
DP World Peru S.R.L.	100%	Peru	Terminal related activities
Cosmos Agencia Maritima S.A.C.	100%	Peru	Logistics, maritime and warehousing services
Neptunia S.A.	100%	Peru	Logistics and warehousing services
Triton Transports S.A.	100%	Peru	Logistics services
Port Secure FZCO#	40%	Republic of Djibouti	Port security services
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Remolques y Servicios Maritimos, S.L.	93%	Spain	Maritime services
Dubai International Djibouti FZE	100%	United Arab Emirates	Port management and operation
Drydocks World LLC	100%	United Arab Emirates	Ship building, repairs and docking services
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
Maritime World LLC	100%	United Arab Emirates	Property development and leasing
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
P&O Marinas FZE	100%	United Arab Emirates	Operating marinas and property leasing
World Security FZE	100%	United Arab Emirates	Security services
Jebel Ali Free Zone FZE	100%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
P&O Maritime Yuzhny FZCO	51%	Ukraine	Maritime services
LG Park Freehold Limited	100%	United Kingdom	Management and operation of industrial parks

\* Although the Group has more than 50% effective ownership interest in these entities, they are not treated as subsidiaries, but instead treated as equity-accounted investees. The underlying shareholder agreements does not provide control to the Group.

\*\* Although the Group only has a 33.34% effective ownership interest in this entity, it was treated as a subsidiary until 22 February 2018, as the Group was able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.

# On 22 February 2018, the Government of Djibouti illegally seized control of Djibouti operations and hence the Group has stopped consolidating this entity's operating results. The Group commenced arbitration proceedings before the London Court of International Arbitration to protect its rights, or to secure damages and compensation for breach or expropriation. In August 2018, the London Court of International Arbitration ruled that Djibouti government's seizure of control of the terminal from the Group as illegal. The Group will continue to pursue all legal means to defend its rights as a shareholder.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 26. Related party transactions

#### Other related party transactions

Transactions with related parties included in the consolidated financial statements are as follows:

	Ultimate Parent Company	Equity-accounted investees	Other related parties	Total	Ultimate Parent Company	Equity-accounted investees	Other related parties	Total
	2018	2018	2018	2018	2017	2017	2017	2017
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<i>Expenses charged:</i>								
Concession fee	-	-	50,338	50,338	-	-	49,517	49,517
Shared services	-	-	529	529	-	-	736	736
Marine services Fee	-	-	12,607	12,607	-	-	13,856	13,856
IT Services Fee	-	-	6,052	6,052	-	-	5,685	5,685
Other services	-	-	2,707	2,707	-	-	382	382
Other services	-	-	21,366	21,366	-	-	19,923	19,923
Interest expense	1,904	-	-	1,904	-	-	-	-
<i>Revenue earned:</i>								
Revenue	-	-	12,875	12,875	-	-	12,483	12,483
Management fee	-	16,238	18,085	34,323	-	19,366	18,176	37,542
Interest income	2,703	31,321	-	34,024	-	28,368	-	28,368

Balances with related parties included in the consolidated statement of financial position are as follows:

	Due from related parties		Due to related parties	
	2018	2017	2018	2017
	USD'000	USD'000	USD'000	USD'000
Ultimate Parent Company	2,383	2,217	1,605	219
Parent Company	-	902	565	5
Equity-accounted investees*	375,751	347,289	2,067	3,107
Other related parties	24,872	13,001	11,663	8,911
<b>Total</b>	<b>403,006</b>	<b>363,409</b>	<b>15,900</b>	<b>12,242</b>

\* This mainly includes an amount of USD 214,358 thousand (2017: USD 208,095 thousand) due from equity accounted investees in Australia and Americas region.

The Group has also issued guarantees on behalf of equity-accounted investees which are disclosed in note 34.

#### Business combinations under common control

On 11 Jan 2018, the Group acquired 100% stake in Drydocks World LLC ('DDW') and Dubai Maritime City ('DMC') from its Ultimate Parent Company Dubai World (refer to note 24 (a) and (b)).

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 26. Related party transactions (continued)

#### Compensation of key management personnel

The remuneration of directors and other key members of the management during the year were as follows:

	2018	2017
	USD'000	USD'000
Short-term benefits and bonus	14,366	13,658
Post-retirement benefits	335	451
<b>Total</b>	<b>14,701</b>	<b>14,109</b>

### 27. Financial risk management

#### Overview

The Group has exposure to the following risks from its use of financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has exposure to the following risks arising from financial instruments:

#### a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

#### *Trade and other receivables*

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group applies IFRS 9 simplified approach to measure expected credit losses (ECLs) which uses a life time expected loss allowance for all trade receivables and contract assets. The Group uses an allowance matrix to measure the ECLs of trade receivables which comprise a very large number of small balances. These historical loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Thus, expected credit loss rates are based on the payment profile of sales over a period of 36 months before 31 December 2018 and the corresponding historical credit losses experienced within this period. These historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The Group identified gross domestic product (GDP), global supply/ demand index of container market, global freight rate index of container market, oil prices in international markets and consumer price index (CPI) to be the most relevant factors for performing macro level adjustments in expected credit loss financial model.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 27. Financial risk management (continued)

#### a) Credit risk (continued)

##### *Other financial assets*

Credit risk arising from other financial assets of the Group comprises cash and cash equivalents and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

##### *Financial guarantees*

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries, where there is a commercial rationale to do so. Guarantees may also be provided to equity-accounted investees in very limited circumstances for the Group's share of obligation. The provision of guarantees always requires the approval of senior management.

#### i. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure as at 31 December:

	2018	2017
	USD'000	USD'000
FVOCI – equity instruments	48,050	69,935
FVTPL – equity instruments	3,028	2,824
Derivative assets	8,735	8,952
Trade and other receivables excluding prepayments	1,727,101	1,218,037
Cash and cash equivalents	2,614,710	1,483,679
<b>Total</b>	<b>4,401,624</b>	<b>2,783,427</b>

The maximum exposure to credit risk for trade receivables (net) at the reporting date by operating segments are as follows:

	2018	2017
	USD'000	USD'000
Asia Pacific and Indian subcontinent	81,335	45,369
Australia and Americas	122,828	97,593
Middle East, Europe and Africa	455,220	311,090
<b>Total</b>	<b>659,383</b>	<b>454,052</b>

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 27. Financial risk management (continued)

#### a) Credit risk (continued)

##### i. Exposure to credit risk (continued)

The ageing of trade receivables (net) at the reporting date was:

	2018	2017
	USD'000	USD'000
Neither past due nor impaired on the reporting date:	376,486	247,923
<i>Past due on the reporting date</i>		
Past due 0-30 days	161,656	135,340
Past due 31-60 days	46,692	44,286
Past due 61-90 days	26,597	13,430
Past due > 90 days	47,952	13,073
<b>Total</b>	<b>659,383</b>	<b>454,052</b>

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2018	2017
	USD'000	USD'000
As at 1 January	106,685	108,435
Acquired through business combinations	19,471	976
Provision recognised/ (reversed) during the year	3,824	(2,726)
<b>As at 31 December</b>	<b>129,980</b>	<b>106,685</b>

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Trade receivables with the top ten customers represent 39% (2017: 54%) of the trade receivables.

#### b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 27. Financial risk management (continued)

#### b) Liquidity risk (continued)

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<i>Non derivative financial liabilities</i>						2017
Issued bonds	4,119,001	(6,903,324)	(230,552)	(857,756)	(1,014,968)	(4,800,048)
Convertible bonds	825,412	(1,113,750)	(17,500)	(17,500)	(52,500)	(1,026,250)
Bank loans	2,609,656	(3,977,590)	(400,133)	(198,386)	(645,307)	(2,733,764)
Loans from non-controlling shareholders	151,134	(201,952)	(1,000)	(11,970)	(51,119)	(137,863)
Finance lease liabilities	33,775	(41,794)	(11,437)	(7,344)	(15,441)	(7,572)
Trade and other payables	1,706,464	(1,711,148)	(1,589,903)	(26,387)	(30,119)	(64,739)
Financial guarantees and letters of credit*	-	(152,315)	-	-	-	-
<i>Derivative financial liabilities</i>						
Interest rate swaps used for hedging	89,453	(124,302)	(26,180)	(25,528)	(60,886)	(11,708)
Embedded derivative option	250,513	-	-	-	-	-
<b>Total</b>	<b>9,785,408</b>	<b>(14,226,175)</b>	<b>(2,276,705)</b>	<b>(1,144,871)</b>	<b>(1,870,340)</b>	<b>(8,781,944)</b>

						2018
<i>Non derivative financial liabilities</i>						
Issued bonds	6,937,592	(12,149,956)	(570,850)	(823,503)	(2,119,742)	(8,635,861)
Convertible bonds	848,865	(1,096,250)	(17,500)	(17,500)	(52,500)	(1,008,750)
Bank loans	2,610,099	(3,725,203)	(208,898)	(177,171)	(1,100,230)	(2,238,904)
Loans from non-controlling shareholders	133,236	(174,905)	(1,000)	(10,904)	(45,070)	(117,931)
Finance lease liabilities	23,207	(29,657)	(7,031)	(9,525)	(6,350)	(6,751)
Trade and other payables	1,964,732	(1,965,388)	(1,851,740)	(49,187)	(27,471)	(36,990)
Financial guarantees and letters of credit*	-	(199,358)	-	-	-	-
<i>Derivative financial liabilities</i>						
Interest rate swaps used for hedging	61,021	(86,593)	(22,555)	(21,564)	(40,520)	(1,954)
Embedded derivative option	133,040	-	-	-	-	-
<b>Total</b>	<b>12,711,792</b>	<b>(19,427,310)</b>	<b>(2,679,574)</b>	<b>(1,109,354)</b>	<b>(3,391,883)</b>	<b>(12,047,141)</b>

\*Refer to note 34 for further details.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (*continued*)

### 27. Financial risk management (continued)

#### c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

#### i. Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE Dirhams) is approximately 63.9% (2017: 64.4%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated at each year end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using foreign currency forward exchange contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using foreign currency forward exchange contracts in order to fix the cost when converted to the functional currency. The Group classifies its foreign currency forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.



# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 27. Financial risk management (continued)

#### c) Market risk (continued)

##### i. Currency risk (continued)

#### Exposure to currency risk

The Group's financial instruments in different currencies were as follows:

	USD*	GBP	EUR	AUD	INR	CAD	KRW	Others	2017 Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	881,314	129,348	139,926	16,949	57,143	86,869	112,753	59,377	1,483,679
Trade receivables	207,503	49,201	72,528	4,589	13,635	61,282	27,629	17,685	454,052
Bank loans	(872,866)	(867,370)	(28,672)	(0)	(98,791)	(436,840)	(0)	(305,117)	(2,609,656)
Loan from non-controlling shareholders	(1,491)	-	(21,399)	-	-	(128,244)	-	-	(151,134)
Unsecured bonds	(4,944,413)	-	-	-	-	-	-	-	(4,944,413)
Finance lease liabilities	(19,335)	(1,213)	(8,109)	(1,568)	-	(3,550)	-	-	(33,775)
Trade payables	(68,794)	(15,558)	(45,308)	(5,203)	(14,600)	(7,413)	(13,519)	(27,551)	(197,946)
Net consolidated statement of financial position exposures	(4,818,082)	(705,592)	108,966	14,767	(42,613)	(427,896)	126,863	(255,606)	(5,999,193)

	USD*	GBP	EUR	AUD	INR	CAD	KRW	Others	2018 Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	1,462,826	572,471	186,388	26,777	89,567	134,160	103,057	39,464	2,614,710
Trade receivables	301,894	47,006	123,354	10,068	46,335	50,059	27,703	52,964	659,383
Bank loans	(878,073)	(820,503)	(23,259)	(0)	(144,736)	(435,311)	(0)	(308,217)	(2,610,099)
Loan from non-controlling shareholders	(7,778)	-	(20,734)	-	(547)	(104,177)	-	-	(133,236)
Unsecured bonds	(6,497,198)	(440,941)	(848,318)	-	-	-	-	-	(7,786,457)
Finance lease liabilities	(15,247)	(167)	(4,706)	-	-	(3,087)	-	-	(23,207)
Trade payables	(103,932)	(15,477)	(105,627)	(7,907)	(13,594)	(6,247)	(12,539)	(58,862)	(324,185)
Net consolidated statement of financial position exposures	(5,737,508)	(657,611)	(692,902)	28,938	(22,975)	(364,603)	118,221	(274,651)	(7,603,091)

\* The functional currency of the Company is UAE Dirham. UAE Dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 27. Financial risk management (continued)

#### c) Market risk (continued)

##### i. Currency risk (continued)

#### Sensitivity analysis

A 10 percent strengthening of the USD against the following currencies at 31 December would have increased/ (decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group has its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	2018	2017	2018	2017
	USD'000	USD'000	USD'000	USD'000
GBP	(5,173)	4,657	(73,068)	(78,399)
EUR	(83)	7	(76,989)	12,107
AUD	(3)	(2)	(3,215)	1,641
INR	(379)	644	(2,553)	(4,735)
CAD	(1,554)	1,396	(40,511)	(47,544)
KRW	(204)	(139)	(13,136)	14,096

A 10 percent weakening of the USD against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

##### ii. Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/ floating interest rate and bank deposits.

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

At 31 December 2018, after taking into account the effect of interest rate swaps, approximately 91% (2017: 91%) of the Group's borrowings are at a fixed rate of interest.

#### Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amounts	
	2018	2017
	USD'000	USD'000
<b>Fixed rate instruments</b>		
Financial liabilities (loans and borrowings)	(8,097,155)	(5,410,891)
Interest rate swaps hedging floating rate debt	(1,537,475)	(1,612,491)
<b>Total</b>	<b>(9,634,630)</b>	<b>(7,023,382)</b>
<b>Variable rate instruments</b>		
Financial assets (short term deposits)	1,901,627	832,004
Financial liabilities (loans and borrowings)	(2,455,844)	(2,328,087)
Interest rate swaps hedging floating rate debt	1,537,475	1,612,491
<b>Total</b>	<b>983,258</b>	<b>116,408</b>

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements *(continued)*

### 27. Financial risk management (continued)

#### c) Market risk (continued)

##### ii. Interest rate risk (continued)

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (“bp”) in interest rates at the reporting date would have increased/ (decreased) consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	100 bp increase	100 bp decrease	100 bp increase	100 bp Decrease
	USD'000	USD'000	USD'000	USD'000
<b>2018</b>				
Variable rate instruments	9,833	(9,833)	-	-
Interest rate swaps	(1,300)	1,300	14,075	(14,075)
<b>Cash flow sensitivity (net)</b>	<b>8,533</b>	<b>(8,533)</b>	<b>14,075</b>	<b>(14,075)</b>
<b>2017</b>				
Variable rate instruments	1,164	(1,164)	-	-
Interest rate swaps	(1,300)	1,300	14,825	(14,825)
<b>Cash flow sensitivity (net)</b>	<b>(136)</b>	<b>136</b>	<b>14,825</b>	<b>(14,825)</b>

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 27. Financial risk management (continued)

#### d) Fair value

##### Fair value versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position are as follows:

		2018	2018	2017	2017
	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
		USD'000	USD'000	USD'000	USD'000
<b>FVOCI – equity instruments</b>	2	48,050	48,050	69,935	69,935
<b>Financial assets at FVTPL</b>					
Equity securities	3	3,028	3,028	2,824	2,824
Convertible debt instrument	2	90,000	90,000	30,000	30,000
Derivative instruments for hedging	2	8,735	8,735	8,952	8,952
<b>Financials assets carried at amortised cost</b>					
Trade and other receivables**		1,637,101	-	1,188,037	-
Cash and cash equivalents*		2,614,710	-	1,483,679	-
<b>Financial liabilities carried at fair value</b>					
Interest rate swaps used for hedging	2	(61,021)	(61,021)	(89,453)	(89,453)
Embedded derivative option	2	(133,040)	(133,040)	(250,513)	(250,513)
<b>Financial liabilities carried at amortised cost</b>					
Issued bonds	1	(6,937,592)	(7,185,042)	(4,119,001)	(4,618,701)
Convertible bonds	2	(848,865)	(821,910)	(825,412)	(796,170)
Bank loans*		(2,610,099)	-	(2,609,656)	-
Loans from non-controlling shareholders*		(133,236)	-	(151,134)	-
Finance lease liabilities*		(23,207)	-	(33,775)	-
Trade and other payables**		(1,964,732)	-	(1,706,464)	-

##### Fair value hierarchy

The table above analyses assets and liabilities that require or permits fair value measurements or disclosure about fair value measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

\* These financial assets and liabilities carry a variable rate of interest and hence, the fair values reported approximate carrying values.

\*\* These financial assets and liabilities have short term maturity and thus, the fair values reported approximate carrying values.

The fair value of foreign currency forward exchange contracts and interest rate swaps is based on the bank quotes at the reporting dates. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

The fair value of trade and other receivables and trade and other payables approximates to their carrying values.

The embedded derivative option liability of the convertible bond is fair valued at each reporting date based on the Black and Scholes option pricing model adjusted with market assumptions relating to share price, risk free rate and volatility. The fair value of the host liability component in the convertible bond is arrived at after deducting the fair value of the embedded derivative option liability from the stock exchange quoted closing bid price of the convertible bond as at the reporting date.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 27. Financial risk management (continued)

#### d) Fair value (continued)

##### Fair value hierarchy (continued)

The fair value for quoted bonds is based on their market price (including unpaid interest) as at the reporting date. Other loans include term loans and finance leases. These are largely at variable interest rates and therefore, the carrying value normally equates to the fair value.

### 28. Share capital

The share capital of the Company as at 31 December was as follows:

	2018	2017
	USD'000	USD'000
<i>Authorised</i>		
1,250,000,000 of USD 2.00 each	2,500,000	2,500,000
<i>Issued and fully paid</i>		
830,000,000 of USD 2.00 each	1,660,000	1,660,000

### 29. Reserves

#### Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in circumstances as stipulated by the law.

#### Shareholders' reserve

Shareholders' reserve forms part of the distributable reserves of the Group.

#### Other reserves

The following table shows a breakdown of 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Hedging and other reserves	Actuarial reserve	Total other reserves
	USD'000	USD'000	USD'000
Balance as at 1 January 2017	(95,135)	(610,829)	(705,964)
Other comprehensive income, net of tax	41,697	(895)	40,802
Pension obligation borne by Parent Company	91,281	-	91,281
Balance as at 31 December 2017	37,843	(611,724)	(573,881)
<b>Balance as at 1 January 2018</b>	<b>37,843</b>	<b>(611,724)</b>	<b>(573,881)</b>
Other comprehensive income, net of tax	(10,371)	26,062	15,691
<b>Balance as at 31 December 2018</b>	<b>27,472</b>	<b>(585,662)</b>	<b>(558,190)</b>

#### Hedging and other reserves

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred.

The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve also includes the unrealised fair value changes on FVOCI financial instruments.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 29. Reserves (continued)

#### Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in the consolidated statement of other comprehensive income.

#### Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It mainly includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

### 30. Interest bearing loans and borrowings

	2018	2017
	USD'000	USD'000
Issued bonds*	6,937,592	4,119,001
Convertible bonds**	848,865	825,412
Bank loans	2,610,099	2,609,656
Finance lease liabilities	23,207	33,775
	10,419,763	7,587,844
of which:		
Classified as non-current	10,065,388	7,287,136
Classified as current	354,375	300,708
of which:		
Secured interest bearing loans and borrowings	2,078,666	2,068,490
Unsecured interest bearing loans and borrowings	8,341,097	5,519,354

The below table provides movement of interest bearing loans and borrowings:

	2018	2017
	USD'000	USD'000
Balance at 1 January	7,587,844	7,605,027
<b>Cash flow items</b>		
Acquired through business combinations	932,140	484,918
Additional borrowings during the year	1,590,940	283,402
Proceeds from issue of bonds (net of transaction cost paid) *	3,263,326	-
Redemption of sukuk	(431,571)	(387,300)
Repayment of borrowings during the year	(2,382,237)	(504,809)
<b>Other non-cash items</b>		
Interest accretion on convertible bonds	22,068	21,066
Transaction cost written off/ amortised during the year	(23,819)	(17,272)
Translation adjustments	(138,928)	102,812
Balance at 31 December	10,419,763	7,587,844

\* On 25 September 2018, the Group issued multi-currency bonds and sukuk under the USD 5 billion GMTN Programme and USD 3 billion Trust Certificate Issuance Programme respectively, of which USD 440,000 thousand was used to repurchase and cancel JAFZ sukuk certificates and accrued interest on 26 September 2018 as part of the liability management exercise.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 30. Interest bearing loans and borrowings (continued)

\*\* These 10 year USD 1 billion unsecured convertible bonds have an option of converting into 37.48 million ordinary shares of DP World PLC. These bonds are currently listed on the Frankfurt Stock Exchange with a coupon rate of 1.75% per annum. These bonds include an investor put option which can be exercised at par in June 2021 (Year 7). There is also an issuer call option which can be exercised on or after July 2017 (Year 3), subject to a 130% trigger on the initial conversion price of USD 27.14.

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 12). The deposits under lien amounting to USD 38,869 thousand (2017: USD 16,150 thousand) are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 19).

At 31 December 2018, the undrawn committed borrowing facilities of USD 2,000,000 thousand (2017: USD 2,055,686 thousand) were available to the Group, in respect of which all conditions precedent had been met.

Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 27.

#### Shareholder loans

These loans mainly include USD 104,177 thousand (2017: USD 128,245 thousand) granted by a non-controlling shareholder of an entity under 'Australia and Americas' region. These loans are repayable between 2023 and 2037 at commercial rates

### 31. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve and translation reserve. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The key performance ratios as at 31 December are as follows:

	2018	2017
	USD'000	USD'000
Total interest-bearing loans and borrowings	10,552,999	7,738,978
Less: loans from non-controlling shareholders*	(133,236)	(151,134)
Less: cash and cash equivalents (refer to note 19)	(2,614,710)	(1,483,679)
Total adjusted net debt	7,805,053	6,104,165
Total equity	11,998,918	11,625,362
Adjusted EBITDA (refer to note 4)	2,807,995	2,469,034
Net finance cost before separately disclosed items	434,563	329,870
Adjusted net debt/ equity	0.65	0.53
Adjusted net debt/ adjusted EBITDA	2.78	2.47
Interest cover before separately disclosed items (Adjusted EBITDA/ net finance cost before separately disclosed items)	6.46	7.48

\*Loans from non-controlling shareholders are excluded as they are unsecured and subordinated to external debt as per the terms of the shareholder agreements and shareholder loan notes.

# DP World PLC (formerly DP World Limited) and its subsidiaries

Notes to consolidated financial statements *(continued)*



# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (continued)

### 32. Operating leases

#### Operating lease commitments – Group as a lessee

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2018	2017
	USD'000	USD'000
Within one year	308,574	326,223
Between one to five years	894,337	1,273,277
Between five to ten years	861,275	1,195,744
Between ten to twenty years	1,585,474	1,833,876
Between twenty to thirty years	1,260,988	1,396,953
Between thirty to fifty years	1,056,831	1,134,517
Between fifty to seventy years	1,060,964	914,908
More than seventy years	788,099	800,551
<b>Total</b>	<b>7,816,542</b>	<b>8,876,049</b>

The above operating leases (Group as a lessee) mainly consist of terminal operating leases arising out of concession arrangements which are long term in nature. In addition, there are also leases of plant, equipment and vehicles included above.

#### Operating lease commitments – Group as a lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2018	2017
	USD'000	USD'000
Within one year	361,105	360,983
Between one to five years	854,514	816,391
More than five years	1,010,247	950,846
<b>Total</b>	<b>2,225,866</b>	<b>2,128,220</b>

The above operating leases (Group as a lessor) mainly consist of commercial properties leased consisting of land, office accommodation, warehouses and staff accommodation. Besides these, certain property, plant and equipment are also leased out by the Group. The leases contain renewal options for additional lease periods at rental rates based on negotiations or prevailing market rates.

### 33. Capital commitments

	2018	2017
	USD'000	USD'000
Estimated capital expenditure contracted for as at 31 December	649,201	661,305

### 34. Contingencies

The Group has the following contingent liabilities arising in the ordinary course of business at 31 December:

	2018	2017
	USD'000	USD'000
Performance guarantees	113,872	86,920
Payment guarantees	35,903	36,533
Letters of credit	6,821	3,025
Guarantees issued on behalf of equity-accounted investees	42,762	25,837
<b>Total</b>	<b>199,358</b>	<b>152,315</b>

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet those targets.

# DP World PLC (formerly DP World Limited) and its subsidiaries

## Notes to consolidated financial statements (*continued*)

### **35. Subsequent events**

- a) On 13 January 2019, the Group entered into an agreement to acquire 71.3% stake in Puertos y Logistica S.A. (“Pulogsa”), Chile. Pulogsa is listed on the Santiago stock exchange, and the acquisition of the remaining outstanding shares of the business will be effected via a tender offer. The total consideration for 100% acquisition will be USD 502 million, subject to relevant third party consents and certain adjustments contained in the share purchase agreement. This transaction is expected to close in the first half of 2019.
- b) On 23 January 2019, the Group announced the acquisition of additional controlling stake in DP World Australia (Holding) Pty Ltd (DP World Australia), valuing DP World Australia at an enterprise value of approximately USD 997 million (AUD 1.4 billion). The transaction is subject to regulatory approval and is expected to close in the first half of 2019.
- c) On 20 February 2019, the Group announced the acquisition of the holding company of P&O Ferries and P&O Ferrymasters for a purchase consideration of USD 421 million (GBP 322 million). The transaction is subject to customary completion conditions and is expected to close in the first half of 2019.

DP World Limited  
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# DP World Limited and its subsidiaries

## Consolidated financial statements

31 December 2017

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## **Independent Auditors' Report**

To the Shareholders of DP World Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### Opinion

We have audited the consolidated financial statements of DP World Limited (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre (“DIFC”), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Key audit matter**

#### **Impairment assessment of carrying value of goodwill and port concession rights**

Refer to notes 3 and 15 of the consolidated financial statements.

The Group has significant goodwill and port concession rights arising from the acquisition of businesses. The Group's annual impairment testing on goodwill and port concession rights with indefinite useful lives requires the Group to identify Cash Generating Units (CGUs) in accordance with the requirements of IAS 36 – Impairment of Assets. Impairment testing is then performed using free cash flow projections based on three year financial budgets approved by the Board and five year future forecasts estimated by the Group. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which forms the basis of the assessment of recoverability, along with the judgemental aspects of the assessment of appropriate CGUs, these are the key areas that our audit concentrated on.

#### **Our response to address the key audit matter**

Our procedures included:

In respect of the assessment of CGUs: We challenged the identification of CGUs and considered the operating and management structure with reference to our understanding of the business.

In respect of the cash flows: We considered the Group's procedures used to develop the forecasts and the principles and integrity of the Group's discounted cash flow model and re-performed the calculations of the model results to test their accuracy. To challenge the reasonableness of those cash flows, we assessed the historical accuracy of the Group's forecasting and corroborated the forecasts with reference to publicly available information and other evidence that has been made available during the course of the audit. We conducted our own assessments to challenge other key inputs, such as the projected growth rate and perpetuity rate.

In respect of the discount rates: We compared the Group's assumptions to externally-derived data (for example, bond yields and inflation statistics) where appropriate. We used our valuation specialists to assist us in assessing the adequacy of the significant assumptions used in arriving at the discount rates.

In respect of the sensitivity to key assumptions: We performed sensitivity analysis on the discount rates and forecast cash flows. We also considered CGU specific and external market factors to assess the reasonableness of management assumptions.

We assessed the adequacy of the Group's disclosure in these respects.

### **Key audit matter**

#### **Accounting for business acquisitions and disposal**

Refer to notes 3 and 23 of the consolidated financial statements.

During the year, the Group has acquired an additional 66.67% stake in Empresa Brasileira de Terminais Portuários S.A. ("Embraport") and 93% stake in Remolques y Servicios Marítimos, S.L. ("Reyser"). The Group has also monetised 45% of its stake in the Canadian ports (Prince Rupert and Vancouver).

**Key audit matter (continued)**

**Accounting for business acquisitions and disposal (continued)**

For the acquisitions, the accounting involves estimating the fair value of the assets and liabilities at the acquisition date and the identification and valuation of intangible assets. Significant judgement is involved in relation to the assumptions used in the valuation and purchase price allocation process. Due to the inherent uncertainty involved in discounting future cash flows, there is a risk that these assumptions are inappropriate.

For the monetisation, due to the complex contractual terms and the significance to the Group, there is a risk that the appropriate accounting treatment is not followed for the completed transaction specifically in respect of calculating the profit or loss on monetisation and the recognition of non-controlling interest.

Furthermore, an assessment is required to be made for classification of an investment as a subsidiary, joint venture or associate based on whether the Group has determined to have control, joint control or significant influence respectively.

**Our response to address the key audit matter**

Our procedures included:

We inspected the key terms in the share purchase and sale agreements to assess the control classification of the investments as per IFRS 10 – Consolidated Financial Statements. We agreed the consideration paid or received by comparing relevant amounts to bank records and considered the appropriateness of costs associated with the purchase or sale.

For the acquisitions, we challenged the Group's critical assumptions in relation to the identification and recognition of the assets and liabilities acquired and the associated fair values by involving our valuation specialists to assess the reasonableness of the key assumptions used in the fair value and purchase price allocation as determined by the Group. We reviewed the resulting adjustments for reasonableness and assessed the appropriateness of the disclosures made.

For the monetisation, we assessed whether the key terms and pricing were appropriately reflected in the calculation of profit on monetisation. We also assessed the accounting entries used to record the monetisation, the appropriateness of the disclosures made and the recognition of non-controlling interests.

**Key audit matter**

**Litigation and claims**

Refer to notes 3, 33 and 34 of the consolidated financial statements.

The Group enters into individually significant contracts which may extend to many years and are often directly or indirectly associated with governments. As a result, the Group is subject to a number of material ongoing litigation actions and claims, therefore, the recognition and measurement of provisions and the measurement and disclosure of contingent liabilities in respect of litigation and claims requires significant judgement and accordingly is a key area of focus in our audit.

**Key audit matter (continued)**

**Litigation and claims (continued)**

**Our response to address the key audit matter**

Our procedures included:

Evaluation of the Group's policies, procedures and controls in relation to litigations, claims and provision assessments. Furthermore, we obtained representations from the Group's legal counsel, made independent enquiries and obtained confirmations from external lawyers to understand the legal positions and exposure to the Group.

The outcome of our evaluation was used as a basis to determine the adequacy of the level of provisioning and disclosure in the consolidated financial statements.

**Key audit matter**

**Taxation provisions**

Refer to notes 3 and 8 of the consolidated financial statements.

The Group operates in a number of tax jurisdictions whereby the Group has to estimate the tax effect of applying local legislation which can be complex, uncertain and involve cross border transactions, including transfer pricing arrangements.

Where the precise nature of the tax legislation is unclear, the Group has to make reasonable estimates of the likely tax charge that will arise.

Some of the Group's uncertain tax positions are at various stages of resolution, from preliminary discussions with tax authorities through to tax tribunal or court proceedings where the matters can take a number of years to resolve. Tax provisions have been estimated by the Group with respect to the tax exposures identified but there is the potential risk that the eventual resolution of a matter with the tax authorities is at an amount materially different to the provision recognised.

**Our response to address the key audit matter**

Our procedures included:

We, together with our tax specialists, considered any large or unusual items affecting the effective tax rate and whether or not any current year items would result in an increased or reduced provision. We have assessed the Group's deferred tax position and ensured that any change in tax rates enacted as at the reporting date have been appropriately considered.

In considering the judgements and estimates of tax provisions, we used our tax specialists to assess the Group's tax positions including assessing correspondence with the relevant tax authorities. We challenged the positions taken by the Group based on our knowledge and experience of the jurisdiction in which the Group operates specifically relating to the adequacy of provisions and disclosure within the consolidated financial statements.



## **Key audit matter**

### **Pensions**

Refer to notes 3 and 20 of the consolidated financial statements.

The Group operates a number of defined benefit pension schemes. The valuation of the pension deficit requires significant levels of judgement and technical expertise in choosing the appropriate assumptions. Changes in a number of the key assumptions including salary increases, inflation, discount rates and mortality assumptions can have a material impact on the calculation of the pension position. As a result of the size of the pension scheme deficit and the judgements inherent in the actuarial assumptions used in the valuation of the pension benefit obligations, we considered this to be an area of focus.

### **Our response to address the key audit matter**

Our procedures included:

The Group engages an independent actuary to assist them in calculating the appropriate pension scheme position. We obtained the actuary's report and, with the assistance of our pension specialists, assessed the discount and inflation rates used in calculating the pension deficit to our internally developed benchmarks, which are based on externally available data to assess whether these assumptions were within our expected range. We compared the mortality assumption to national and industry averages to assess that these were reasonable.

We also compared the assumptions with those used in previous years, to assess whether the methodology used in arriving at the assumptions year on year was consistent.

We agreed the material assets of the scheme to third party confirmations and where applicable, recalculated asset valuations based on the quoted prices.

We assessed the adequacy of the disclosures in this area.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 2 of 2009 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

We further report that the consolidated financial statements comply, in all material respects, with the applicable provisions of the Companies Law pursuant to DIFC Law No. 2 of 2009.

KPMG LLP  
Rohit Rajvanshi  
Dubai, United Arab Emirates

Date: 15 March 2018

# DP World Limited and its subsidiaries

## Consolidated statement of profit or loss

	Note	Year ended 31 December 2017			Year ended 31 December 2016		
		Before separately disclosed items	Separately disclosed items (Note 9)	Total	Before separately disclosed items	Separately disclosed items (Note 9)	Total
		USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Revenue</b>	5	4,714,733	14,053	4,728,786	4,163,325	68,243	4,231,568
Cost of sales		(2,359,467)	(14,053)	(2,373,520)	(2,010,490)	(68,243)	(2,078,733)
<b>Gross profit</b>		2,355,266	-	2,355,266	2,152,835	-	2,152,835
General and administrative expenses		(693,878)	(14,699)	(708,577)	(628,411)	(776)	(629,187)
Other income		51,844	3,433	55,277	49,301	3,878	53,179
Loss on disposal and change in ownership of business	9	-	(28,234)	(28,234)	(2,966)	(12,524)	(15,490)
Share of profit/ (loss) from equity-accounted investees (net of tax)	16	123,592	4,172	127,764	149,435	(2,957)	146,478
<b>Results from operating activities</b>		1,836,824	(35,328)	1,801,496	1,720,194	(12,379)	1,707,815
Finance income	7	95,540	550	96,090	100,247	47,462	147,709
Finance costs	7	(425,410)	(98,100)	(523,510)	(438,357)	(139,521)	(577,878)
<b>Net finance costs</b>		(329,870)	(97,550)	(427,420)	(338,110)	(92,059)	(430,169)
<b>Profit before tax</b>		1,506,954	(132,878)	1,374,076	1,382,084	(104,438)	1,277,646
Income tax expense	8	(144,406)	101,076	(43,330)	(122,579)	-	(122,579)
<b>Profit for the year</b>	6	1,362,548	(31,802)	1,330,746	1,259,505	(104,438)	1,155,067
<b>Profit attributable to:</b>							
Owners of the Company		1,208,517	(31,802)	1,176,715	1,126,554	(102,300)	1,024,254
Non-controlling interests		154,031	-	154,031	132,951	(2,138)	130,813
		1,362,548	(31,802)	1,330,746	1,259,505	(104,438)	1,155,067
<b>Earnings per share</b>							
Basic earnings per share – US cents	11	145.60		141.77	135.73		123.40
Diluted earnings per share – US cents	11	141.58		141.77	132.11		117.16

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

# DP World Limited and its subsidiaries

## Consolidated statement of other comprehensive income

		2017	2016
	Note	USD'000	USD'000
<b>Profit for the year</b>		<b>1,330,746</b>	1,155,067
<b>Other comprehensive income (OCI)</b>			
<i>Items that are or may be reclassified to profit or loss:</i>			
Foreign exchange translation differences – foreign operations*		<b>616,653</b>	(586,792)
Foreign exchange translation differences recycled to profit or loss due to change in ownership resulting in control		<b>46,949</b>	48,913
Net change in fair value of available-for-sale financial assets		<b>(779)</b>	5,176
Share of other comprehensive income of equity-accounted investees	16	<b>3,988</b>	3,416
Cash flow hedges – effective portion of changes in fair value		<b>49,255</b>	(21,178)
Related tax on fair value of cash flow hedges		<b>(6,262)</b>	3,170
<i>Items that will never be reclassified to profit or loss:</i>			
Re-measurements of post-employment benefit obligations**	20	<b>131</b>	(204,987)
Related tax		<b>(1,026)</b>	5,699
<b>Other comprehensive income for the year, net of tax</b>		<b>708,909</b>	(746,583)
<b>Total comprehensive income for the year</b>		<b>2,039,655</b>	408,484
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>1,837,558</b>	282,472
Non-controlling interests		<b>202,097</b>	126,012

\* A significant portion of this includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level. The translation differences arising on account of translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency are also reflected here. There are no differences on translation from functional to presentation currency as the Company's functional currency is pegged to the presentation currency.

\*\* 2016 includes re-apportionment of pension fund deficit contribution from a related party and increase in pension actuarial loss on account of the decrease in discount rate at the reporting date.

*The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.*

# DP World Limited and its subsidiaries

## Consolidated statement of financial position

		2017	2016
	Note	USD'000	USD'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	8,697,371	7,522,077
Investment properties	13	1,323,179	1,280,325
Intangible assets and goodwill	14	7,920,654	7,289,138
Investment in equity-accounted investees	16	2,172,683	1,951,658
Other investments		72,759	60,644
Accounts receivable and prepayments	17	481,741	428,627
<b>Total non-current assets</b>		<b>20,668,387</b>	<b>18,532,469</b>
<b>Current assets</b>			
Inventories		90,282	79,124
Accounts receivable and prepayments	17	871,542	793,345
Cash and cash equivalents	18	1,483,679	1,299,391
<b>Total current assets</b>		<b>2,445,503</b>	<b>2,171,860</b>
<b>Total assets</b>		<b>23,113,890</b>	<b>20,704,329</b>
<b>Equity</b>			
Share capital	27	1,660,000	1,660,000
Share premium		2,472,655	2,472,655
Shareholders' reserve		2,000,000	2,000,000
Retained earnings		6,759,367	5,495,181
Translation reserve		(1,503,980)	(2,124,021)
Other reserves	28	(573,881)	(705,964)
<b>Equity attributable to owners of the Company</b>		<b>10,814,161</b>	<b>8,797,851</b>
<b>Non-controlling interests</b>	22	<b>811,201</b>	<b>721,834</b>
<b>Total equity</b>		<b>11,625,362</b>	<b>9,519,685</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	29	7,437,270	6,874,777
Accounts payable and accruals	21	482,218	392,127
Deferred tax liabilities	8	907,860	945,257
Employees' end of service benefits	19	122,230	112,594
Pension and post-employment benefits	20	187,570	314,691
<b>Total non-current liabilities</b>		<b>9,137,148</b>	<b>8,639,446</b>
<b>Current liabilities</b>			
Interest bearing loans and borrowings	29	301,708	743,482
Accounts payable and accruals	21	1,947,781	1,663,809
Income tax liabilities	8	94,567	129,722
Pension and post-employment benefits	20	7,324	8,185
<b>Total current liabilities</b>		<b>2,351,380</b>	<b>2,545,198</b>
<b>Total liabilities</b>		<b>11,488,528</b>	<b>11,184,644</b>
<b>Total equity and liabilities</b>		<b>23,113,890</b>	<b>20,704,329</b>

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

The consolidated financial statements were authorised for issue on 15 March 2018.

.....  
Sultan Ahmed Bin Sulayem  
Chairman and Chief Executive Officer

.....  
Yuvraj Narayan  
Chief Financial Officer

DP World Limited and its subsidiaries  
Consolidated statement of changes in equity

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital and premium	Shareholders' reserve	Retained earnings	Translation reserve	Other reserves	Total		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance as at 1 January 2016	4,132,655	2,000,000	4,722,382	(1,593,342)	(494,861)	8,766,834	367,764	9,134,598
Profit for the period	-	-	1,024,254	-	-	1,024,254	130,813	1,155,067
Other comprehensive income, net of tax	-	-	-	(530,679)	(211,103)	(741,782)	(4,801)	(746,583)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid (refer to note 10)	-	-	(249,000)	-	-	(249,000)	-	(249,000)
Acquisition of non-controlling interests without change in control	-	-	(2,455)	-	-	(2,455)	722	(1,733)
<b>Transactions with non-controlling interests, recognised directly in equity</b>								
Contributions by non-controlling interests	-	-	-	-	-	-	2,000	2,000
Dividends paid	-	-	-	-	-	-	(25,222)	(25,222)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	250,558	250,558
<b>Balance as at 31 December 2016</b>	<b>4,132,655</b>	<b>2,000,000</b>	<b>5,495,181</b>	<b>(2,124,021)</b>	<b>(705,964)</b>	<b>8,797,851</b>	<b>721,834</b>	<b>9,519,685</b>
Profit for the period	-	-	1,176,715	-	-	1,176,715	154,031	1,330,746
Other comprehensive income, net of tax	-	-	-	620,041	40,802	660,843	48,066	708,909
<b>Transactions with owners, recognised directly in equity</b>								
Change in ownership interests without change in control of subsidiaries (refer to note 24)	-	-	403,497	-	-	403,497	119,890	523,387
Pension obligation borne by Parent Company *	-	-	-	-	91,281	91,281	-	91,281
Dividends paid (refer to note 10)	-	-	(315,400)	-	-	(315,400)	-	(315,400)
Acquisition of non-controlling interests without change in control	-	-	(626)	-	-	(626)	(4,191)	(4,817)
<b>Transactions with non-controlling interests, recognised directly in equity</b>								
Contributions by non-controlling interests	-	-	-	-	-	-	21,880	21,880
Dividends paid	-	-	-	-	-	-	(253,697)	(253,697)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	3,388	3,388
<b>Balance as at 31 December 2017</b>	<b>4,132,655</b>	<b>2,000,000</b>	<b>6,759,367</b>	<b>(1,503,980)</b>	<b>(573,881)</b>	<b>10,814,161</b>	<b>811,201</b>	<b>11,625,362</b>

\* In 2016, Group accounted for USD 91,281 thousand additional defined benefit obligation in relation to the reapportionment of pension fund deficit from a related party. The re-apportioned liability was subsequently paid by the Parent company in the current year.

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

# DP World Limited and its subsidiaries

## Consolidated statement of cash flows

		2017	2016
	Note	USD'000	USD'000
<b>Cash flows from operating activities</b>			
Gross cash flows from operations	18	2,332,606	2,115,609
Changes in:			
Inventories		(3,844)	(11,192)
Accounts receivable and prepayments		71,583	(62,671)
Accounts payable and accruals		127,555	52,784
Provisions, pensions and post-employment benefits		(115,452)	(92,907)
<b>Cash provided by operating activities</b>		<b>2,412,448</b>	<b>2,001,623</b>
Income taxes paid		(204,575)	(157,086)
<b>Net cash provided by operating activities</b>		<b>2,207,873</b>	<b>1,844,537</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	12	(945,201)	(1,073,725)
Additions to investment properties	13	(98,884)	(136,901)
Additions to port concession rights		(45,566)	(87,502)
Additions to/ advance towards other investments		(28,026)	(23,305)
Proceeds from disposal of property, plant and equipment and port concession rights		42,579	7,414
Proceeds from disposal of other investments		-	21,554
Proceeds from disposal of a subsidiary		-	6,965
Cash outflow on acquisition of subsidiaries (net of cash acquired)		(179,114)	(142,950)
Cash inflow on monetisation of stake in subsidiaries without change in control		523,387	-
Net cash outflow on acquisition of non-controlling interests without change in control		(4,817)	(1,733)
Interest received		38,030	32,140
Dividends received from equity-accounted investees		114,695	151,146
Additional investment in equity-accounted investees		(4,415)	(13,071)
Net loan from equity-accounted investees		1,347	1,091
<b>Net cash used in investing activities</b>		<b>(585,985)</b>	<b>(1,258,877)</b>
<b>Cash flows from financing activities</b>			
Repayment of interest bearing loans and borrowings		(504,809)	(1,287,412)
Drawdown of interest bearing loans and borrowings		290,361	1,262,089
Proceeds from issue of bonds (2023 Sukuk)		-	1,200,000
Redemption of issued bonds (2017 Sukuk)		(387,300)	(1,174,455)
Transaction cost paid on issuance of bonds (2023 Sukuk)		-	(10,505)
Interest paid		(332,420)	(418,769)
Dividend paid to the owners of the Company		(315,400)	(249,000)
Contribution by non-controlling interests		21,880	2,000
Dividend paid to non-controlling interests		(253,697)	(25,222)
<b>Net cash used in financing activities</b>		<b>(1,481,385)</b>	<b>(701,274)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>140,503</b>	<b>(115,614)</b>
Cash and cash equivalents as at 1 January		1,299,391	1,436,595
Effect of exchange rate fluctuations on cash held		43,785	(21,590)
<b>Cash and cash equivalents as at 31 December</b>	18	<b>1,483,679</b>	<b>1,299,391</b>

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.



## 1. Corporate information

DP World Limited (“the Company”) was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre (“DIFC”) under the Companies Law, DIFC Law No. 3 of 2006. The consolidated financial statements for the year ended 31 December 2017 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interests in equity-accounted investees. The Group is engaged in the business of development and management of international marine and inland terminal operations, maritime services, industrial parks and economic zones, logistics and ancillary services to technology-driven trade solutions.

Port & Free Zone World FZE (“the Parent Company”), which originally held 100% of the Company’s issued and outstanding share capital, made an initial public offer of 19.55% of its share capital to the public and the Company was listed on the Nasdaq Dubai with effect from 26 November 2007. The Company was further admitted to trade on the London Stock Exchange with effect from 1 June 2011 and voluntarily delisted from the London Stock Exchange on 21 January 2015.

Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation (“the Ultimate Parent Company”).

The Company’s registered office address is P.O. Box 17000, Dubai, United Arab Emirates.

## 2. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on going concern basis in accordance with International Financial Reporting Standards (“IFRS”) and the applicable provisions of the Companies Law pursuant to DIFC Law No. 2 of 2009.

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, investment at fair value through profit or loss and available-for-sale financial assets which are measured at fair value.

### a) Use of estimates and judgements

The management makes estimates and judgements affecting the application of accounting policies and reported numbers in the consolidated financial statements. The significant estimates and judgements are listed below:

- i. Estimate of useful lives of property, plant and equipment and port concession rights with finite lives.
- ii. Estimate of expected future cash flows and discount rate for calculating present value of such cash flows used to compute value-in-use of cash-generating units.
- iii. Judgement on recognition of an identifiable intangible asset separate from goodwill in case of business combination at its estimated fair value. This is based on information available and management’s expectations on the date of acquisition.
- iv. Estimate of collectible amount of accounts receivables where the collection of full amount is not probable.
- v. Estimate of fair value of derivatives for which an active market is not available is computed using various generally accepted valuation techniques. Such techniques require inputs from observable markets and judgements on market risk and credit risk.
- vi. Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.
- vii. Estimate of level of probability of a contingent liability becoming an actual liability and resulting cash outflow based on the information available on the reporting date.
- viii. Consolidation of entities in which the Group holds less than 50% shareholding and non-consolidation of entities in which the Group holds more than 50% shareholding (refer to note 24).
- ix. Significant judgement is required in determining the worldwide provision for income taxes.
- x. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The actual results may differ from the estimates and judgements made by the management in the above matters. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### b) New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not effective for annual periods beginning 1 January 2017, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

## **2. Basis for preparation of the consolidated financial statements (continued)**

### **b) New standards and interpretations not yet effective (continued)**

#### **i. IFRS 9 Financial Instruments** (effective from 1 January 2018)

IFRS 9 sets out requirements for recognising, classifying and measuring financial assets and financial liabilities and introduces a new expected credit loss model. The new guidance has also substantially reformed the existing hedge accounting rules. It provides a more principles-based approach that aligns hedge accounting closely with risk management policies. The adoption of IFRS 9 will not affect the classification and measurement of the Group's financial instruments, and the new standard does not fundamentally change the hedging relationships. Management has assessed that the effect of change from the incurred loss model to the expected credit loss model is considered immaterial due to the low credit risk in the Group.

#### **ii. IFRS 15 Revenue from contracts with customers** (effective from 1 January 2018)

IFRS 15 replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard provides a single principles-based five-step model to be applied to all contracts with customers. The Group's current practices for recognising revenue have shown to comply in all material aspects with the concepts and principles encompassed by the new standard and impact on the financial statements is considered immaterial.

#### **iii. IFRS 16 Leases** (effective from 1 January 2019)

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating lease incentives and SIC-27 Evaluating the substance of transaction involving the legal form of lease.

The new standard requires the lessee to recognise the operating lease commitment on the balance sheet. The Group, as a lessee, has substantial operating leases and commitments as disclosed in note 31. The standard would require future lease commitments to be recognised as a liability, with a corresponding right of use asset. This will impact the EBITDA and debt to equity ratios of the Group. In addition, depending on the stage of lease, there would be a different pattern of expense recognition on leases. Currently, lease expenses are recognised in cost of sales, however, in future the lease expense would be replaced by an amortisation charge and finance expense.

The Group is in the process of collating its leases and computing the impact. The impact of this standard's application is expected to be significant. The actual impact of applying IFRS 16 at 1 January 2019 will, among other factors, depend on future economic conditions – including the composition of the lease portfolio at that date as well as the level of time charter rates, incremental borrowing rates, etc.

### **c) New standards, amendments and interpretations adopted by the Group**

#### **i. Amendment to IAS 7, Statement of cash flows** (effective from 1 January 2017)

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

#### **ii. Amendments to IAS 12, Income taxes** (effective from 1 January 2017)

The amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

### **3. Significant accounting policies**

The following significant accounting policies have been consistently applied in the preparation of these consolidated financial statements throughout the Group to all the years presented, unless otherwise stated.

#### **a) Basis of consolidation**

##### **i. Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The acquisition method of accounting is used to account for business combinations by the Group on the date of acquisition.

##### **ii. Business combination achieved in stages**

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition date fair values and any resulting gain or loss is recognised in profit or loss.

##### **iii. Change in ownership interests in subsidiaries without loss of control**

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid or received and relevant shares acquired or disposed off in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

##### **iv. Disposal of subsidiaries (loss of control)**

On the loss of control, the Group derecognises the subsidiary and recognises any surplus or deficit arising on the loss of control in the consolidated statement of profit or loss. Any retained interest is re-measured at fair value on the date control is lost and is subsequently accounted as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

##### **v. Non-controlling interests**

For each business combination, the Group elects to measure any non-controlling interests at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

##### **vi. Structured entities**

The Group established DP World Crescent Limited (a limited liability company incorporated in the Cayman Islands) as a structured entity ("SE") for the issue of Sukuk Certificates. These certificates are listed on Nasdaq Dubai and London Stock Exchange. The Group does not have any direct or indirect shareholding in this entity.

The Group has also incorporated JAFZ Sukuk (2019) Limited as a SE for issuing New JAFZ Sukuk which are currently listed on Nasdaq Dubai and the Irish Stock Exchange.

The Group consolidates the above SE's based on an evaluation of the substance of its relationship with the Group. This relationship results in the majority of the benefits related to the SE's operations and net assets being received by the Group. It also exposes the Group to risks incident to the SE's activities and retains the majority of the residual or ownership risks related to the SE or its assets.

##### **vii. Investments in associates and joint ventures (equity-accounted investees)**

The Group's interest in equity-accounted investees comprise interest in associates and joint ventures. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Investments in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's investment includes fair value adjustments (including goodwill) net of any accumulated impairment losses.

At each reporting date, the Group determines whether there is any objective evidence that the investments in the equity-accounted investees are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the same in the consolidated statement of profit or loss.

### **3. Significant accounting policies (continued)**

#### **a) Basis of consolidation (continued)**

##### **viii. *Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from the transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### **b) Foreign currency**

##### **i. *Functional and presentation currency***

The functional currency of the Company is UAE Dirhams. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which it operates (functional currency). These consolidated financial statements are presented in USD, which is the Group's presentation currency.

##### **ii. *Foreign currency transactions and balances***

Transactions in foreign currencies are translated to the functional currency of each entity at the foreign exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of each entity at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of transaction with no further re-measurement in future. Foreign currency differences are generally recognised in the profit or loss.

##### **iii. *Foreign operations***

For the preparation of consolidated financial statements, the differences arising on translation of financial statements of foreign operations into USD are recognised in other comprehensive income and accumulated in the translation reserve except to the extent of share of non-controlling interests in such differences. Accumulated translation differences are recycled to profit or loss on de-recognition of foreign operations as part of the gain or loss on such derecognition. In case of partial derecognition, accumulated differences proportionate to the stake derecognised are recycled.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in other comprehensive income and accumulated in the translation reserve.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective.

#### **c) Financial instruments**

##### **i. *Non-derivative financial assets***

##### **Initial recognition and subsequent measurement**

The Group classifies non-derivative financial assets into the following categories: held to maturity financial assets, loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition. All non-derivative financial assets are recognised initially at fair value, plus, any directly attributable transaction costs. The Group's non-derivative financial assets comprise investments in an unquoted infrastructure fund, debt securities held to maturity, trade and other receivables, due from related parties and, cash and cash equivalents.

The subsequent measurement of non-derivative financial assets depends on their classification.

##### **Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

### **3. Significant accounting policies (continued)**

#### **c) Financial instruments (continued)**

##### **ii. *Non-derivative financial liabilities***

###### **Initial recognition and measurement**

The Group's non-derivative financial liabilities consist of loans and borrowings, bank overdrafts, amounts due to related parties, and trade and other payables. All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. The Group classifies all its non-derivative financial liabilities as financial liabilities to be carried at amortised cost using effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs to the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

###### **Subsequent measurement**

The subsequent measurement of non-derivative financial liabilities are carried at their amortised cost using the effective interest method.

###### **Convertible bond**

Convertible bonds issued by the Group are denominated in USD and can be converted into ordinary shares. Convertible bonds are split into two components: a debt component and a component representing the embedded derivative in the convertible bond. The debt component represents a non-derivative financial liability for future coupon payments and the redemption of the principal amount. The embedded derivative, a financial derivative liability, represents the value of the option that bond holders can convert into ordinary shares. The Group has not recorded the embedded derivative within equity due to the existence of cash settlement terms with the Company.

###### **Derecognition**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

##### **iii. *Derivative financial instruments***

The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its cash flows exposed to risk of fluctuations in foreign currencies and interest rates.

###### **Initial recognition**

On initial designation of the derivatives as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and hedged risk together with the methods that will be used to assess the effectiveness of the hedging relationship.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the consolidated statement of profit or loss when incurred. Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

###### **Subsequent measurement**

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated statement of profit or loss.

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss.

###### **Derecognition**

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to the consolidated statement of profit or loss.

### 3. Significant accounting policies (continued)

#### d) Property, plant and equipment

##### i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 3(j) (i)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located. Such property, plant and equipment does not directly increase the future economic benefits of any particular existing item of property, plant and equipment, but may be necessary for an entity to obtain the future economic benefits from its other assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

#### Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement. Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

##### ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

##### iii. Depreciation

Land and capital work in progress is not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value. Leased assets are depreciated on straight-line basis over their estimated useful lives or lease term whichever is shorter.

The estimated useful lives of assets are as follows:

Assets	Useful life (years)
Buildings	5 – 50
Plant and equipment	3 – 25
Vessels	10 – 30
Dredging (included in Land and buildings)	10 – 99

Dredging costs are depreciated on a straight line basis based on the lives of various components of dredging.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

**3. Significant accounting policies (continued)**

**d) Property, plant and equipment (continued)**

**iv. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time, the assets are substantially ready for their intended use or sale.

**e) Investment properties**

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives, as follows:

<b>Assets</b>	<b>Useful life (years)</b>
Buildings	20 – 35
Infrastructure	5 – 50

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

**f) Land use rights**

Land use rights represents the prepaid lease payments of leasehold interests in land under operating lease arrangements. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

**g) Goodwill**

Goodwill arises on the acquisition of subsidiaries and equity-accounted investees. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses (refer to note 3(j) (i)). Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

### **3. Significant accounting policies (continued)**

#### **h) Port concession rights**

The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to equity-accounted investees). The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions. Port concession rights consist of:

##### **i. Port concession rights arising on business combinations**

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note 3(j)(i)). The useful lives of port concession rights are assessed to be either finite or indefinite.

Port concession rights with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired. The amortisation period and amortisation method for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight-line basis.

Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis or when the impairment indicator exists, either individually or at the cash-generating unit level. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

##### **ii. Port concession rights arising from Service Concession Arrangements (IFRIC 12)**

The Group recognises port concession rights arising from a service concession arrangement, in which the grantor (government or port authorities) controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The estimated useful lives for port concession rights range within a period of 5 – 50 years (including the concession rights relating to equity-accounted investees).

#### **i) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.



### **3. Significant accounting policies (continued)**

#### **i) Leases (continued)**

##### **i. Group as a lessee**

Assets held by the Group under leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance lease.

Contingent payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

##### **ii. Group as a lessor**

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

##### **iii. Leasing and sub-leasing transactions**

Leasing and sub-leasing transactions are designed to achieve certain benefits for the third parties in overseas locations in return for a cash benefit to the Group. Such cash benefit is accounted in the consolidated statement of profit or loss based on its economic substance.

##### **iv. Leases of land in port concession**

Leases of land have not been classified as finance leases as the Group believes that the substantial risks and rewards of ownership of the land have not been transferred. Accordingly, these are accounted as operating leases. The existence of a significant exposure of the lessor to performance of the asset through contingent rentals is the basis of concluding that substantially all the risks and rewards of ownership have not passed.

#### **j) Impairment**

##### **i. Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, the assets are grouped together into smallest group of assets (cash generating unit or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU's.

Goodwill and port concession rights with infinite useful lives, as part of their respective cash-generating units, are also reviewed for impairment at each reporting date or at least once in a year regardless of any indicators of impairment. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **3. Significant accounting policies (continued)**

#### **j) Impairment (continued)**

##### **ii. Financial assets**

Financial assets not classified at fair value through profit or loss are assessed by management at each reporting date to determine whether there is objective evidence of impairment.

##### **Loans and receivables and held to maturity investments**

The Group considers evidence of impairment for loans and receivables and held to maturity investment securities at both a specific asset level and collective level. All individually significant receivables and held to maturity investment securities are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

##### **Available-for-sale financial assets**

A significant or prolonged decline in the fair value of an equity investment is considered as objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be considered as prolonged.

#### **k) Employee benefits**

##### **i. Pension and post-employment benefits**

##### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan in which the Company pays the fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the consolidated statement of profit or loss during which the services are rendered by employees.

##### **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan asset is deducted to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

##### **ii. Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **3. Significant accounting policies (continued)**

#### **l) Provisions**

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated statement of profit or loss.

#### **m) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue mainly consists of containerised stevedoring, other containerised revenue, non-containerised revenue, service concession revenue and lease rentals. Non-containerised revenue mainly includes logistics and handling of break bulk cargo.

The following specific recognition criteria must also be met before revenue is recognised:

##### **i. Rendering of services**

Revenue from providing containerised stevedoring, other containerised services and non-containerised services is recognised on the delivery and completion of those services.

##### **ii. Service concession arrangements (IFRIC 12)**

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

##### **iii. Lease rentals and related services**

A lease rental is recognised on a straight line basis over the lease term. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the consolidated statement of financial position. Revenue from administrative service, license, registration and consultancy is recognised as the service is provided.

#### **n) Finance income and costs**

Finance income comprises interest income on cash and cash equivalents and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of discount on provisions, impairment losses recognised on financial assets, losses on hedging instruments and fair value changes of debt instruments that are recognised in the consolidated statement of profit or loss.

Finance income and costs also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 3(b) (ii)).

### **3. Significant accounting policies (continued)**

#### **o) Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in consolidated statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Current tax and deferred tax assets and liabilities are offset only if certain criteria are met.

#### **p) Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (after adjusting for interest on the convertible bond and other consequential changes in income or expense that would result from the assumed conversion) by the weighted average number of ordinary shares outstanding during the year including the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares (refer to note 11).

#### **q) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components for which discrete financial information is available. All operating segments’ operating results are reviewed regularly by the Company’s Board of Directors (‘Chief Operating Decision Maker’) to assess performance.

#### **r) Separately disclosed items**

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

### **4. Segment information**

The Group has identified the following geographic areas as its basis of segmentation.

- Asia Pacific and Indian subcontinent
- Australia and Americas
- Middle East, Europe and Africa

Each of these operating segments have an individual appointed as Segment Director responsible for these segments, who in turn reports to the Chief Operating Decision Maker. In addition to the above reportable segments, the Group reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment

The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation (“Adjusted EBITDA”).

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property, and port concession rights other than goodwill.

Information regarding the results of each reportable segment is included below.

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements

### 4. Segment information (continued)

The following table presents certain results, assets and liabilities information regarding the Group's segments as at the reporting date.

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	682,272	501,496	762,151	659,020	3,284,363	3,071,052	-	-	-	-	4,728,786	4,231,568
Adjusted for separately disclosed items	(14,053)	(68,243)	-	-	-	-	-	-	-	-	(14,053)	(68,243)
<b>Revenue before separately disclosed items</b>	<b>668,219</b>	<b>433,253</b>	<b>762,151</b>	<b>659,020</b>	<b>3,284,363</b>	<b>3,071,052</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,714,733</b>	<b>4,163,325</b>
<b>Adjusted EBITDA</b>	<b>434,989</b>	<b>316,476</b>	<b>291,485</b>	<b>293,052</b>	<b>1,917,640</b>	<b>1,791,269</b>	<b>(175,080)</b>	<b>(137,720)</b>	<b>-</b>	<b>-</b>	<b>2,469,034</b>	<b>2,263,077</b>
Finance income	-	-	-	-	-	-	95,540	100,247	-	-	95,540	100,247
Finance costs	-	-	-	-	-	-	(425,410)	(438,357)	-	-	(425,410)	(438,357)
Tax expense	-	-	-	-	-	-	(144,406)	(122,579)	-	-	(144,406)	(122,579)
Depreciation and amortisation	(101,760)	(67,260)	(94,046)	(77,389)	(427,169)	(391,184)	(9,235)	(7,050)	-	-	(632,210)	(542,883)
<b>Adjusted net profit/ (loss) before separately disclosed items</b>	<b>333,229</b>	<b>249,216</b>	<b>197,439</b>	<b>215,663</b>	<b>1,490,471</b>	<b>1,400,085</b>	<b>(658,591)</b>	<b>(605,459)</b>	<b>-</b>	<b>-</b>	<b>1,362,548</b>	<b>1,259,505</b>
Adjusted for separately disclosed items	(13,313)	(6,284)	(32,384)	2,076	10,369	(8,171)	3,526	(92,059)	-	-	(31,802)	(104,438)
<b>Profit/ (loss) for the year</b>	<b>319,916</b>	<b>242,932</b>	<b>165,055</b>	<b>217,739</b>	<b>1,500,840</b>	<b>1,391,914</b>	<b>(655,065)</b>	<b>(697,518)</b>	<b>-</b>	<b>-</b>	<b>1,330,746</b>	<b>1,155,067</b>

Net finance cost and tax expense from various geographical locations and head office have been grouped under head office.

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements

### 4. Segment information (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Segment assets	<b>4,576,571</b>	4,350,319	<b>3,103,562</b>	2,092,970	<b>18,062,307</b>	15,333,720	<b>9,345,615</b>	9,205,350	<b>(11,974,165)</b>	(10,278,030)	<b>23,113,890</b>	20,704,329
Segment liabilities	<b>661,767</b>	605,616	<b>643,515</b>	379,373	<b>4,042,232</b>	3,455,870	<b>8,693,264</b>	8,524,199	<b>(3,554,677)</b>	(2,855,393)	<b>10,486,101</b>	10,109,665
Tax liabilities*	-	-	-	-	-	-	<b>1,002,427</b>	1,074,979	-	-	<b>1,002,427</b>	1,074,979
Total liabilities	<b>661,767</b>	605,616	<b>643,515</b>	379,373	<b>4,042,232</b>	3,455,870	<b>9,695,691</b>	9,599,178	<b>(3,554,677)</b>	(2,855,393)	<b>11,488,528</b>	11,184,644
Capital expenditure	<b>87,670</b>	81,068	<b>163,999</b>	156,457	<b>835,695</b>	1,057,844	<b>2,287</b>	2,759	-	-	<b>1,089,651</b>	1,298,128
Depreciation	<b>43,022</b>	22,801	<b>64,801</b>	55,527	<b>339,645</b>	310,077	<b>9,234</b>	7,050	-	-	<b>456,702</b>	395,455
Amortisation/ impairment	<b>58,738</b>	44,459	<b>29,245</b>	21,862	<b>91,127</b>	81,883	-	-	-	-	<b>179,110</b>	148,204
Share of profit/(loss) of equity accounted investees before separately disclosed items	<b>117,365</b>	125,215	<b>(14,894)</b>	6,418	<b>21,121</b>	17,802	-	-	-	-	<b>123,592</b>	149,435
Tax expense	-	-	-	-	-	-	<b>43,330</b>	122,579	-	-	<b>43,330</b>	122,579

\*Tax liabilities and tax expenses from various geographical locations have been grouped under head office.

## 5. Revenue

	2017	2016
	USD'000	USD'000
<i>Revenue consists of:</i>		
Containerised stevedoring revenue	1,856,806	1,535,059
Containerised other revenue	1,450,110	1,315,186
Non-containerised revenue	821,751	759,516
Service concession revenue (refer to note 9)	14,053	68,243
Lease rentals and related services	586,066	553,564
<b>Total</b>	<b>4,728,786</b>	<b>4,231,568</b>

## 6. Profit for the year

	2017	2016
	USD'000	USD'000
<i>Profit for the year is stated after charging the following costs:</i>		
Staff costs	933,712	826,947
Depreciation and amortization	632,210	542,883
Operating lease rentals	399,968	364,365
Impairment loss (refer to note 9)	3,602	776

## 7. Finance income and costs

	2017	2016
	USD'000	USD'000
<b>Finance income</b>		
Interest income	66,400	56,420
Exchange gains	29,140	43,827
<b>Finance income before separately disclosed items</b>	<b>95,540</b>	<b>100,247</b>
Separately disclosed items (refer to note 9)	550	47,462
<b>Finance income after separately disclosed items</b>	<b>96,090</b>	<b>147,709</b>
<b>Finance costs</b>		
Interest expense	(372,950)	(375,065)
Exchange losses	(46,550)	(57,672)
Other net financing expense in respect of pension plans	(5,910)	(5,620)
<b>Finance costs before separately disclosed items</b>	<b>(425,410)</b>	<b>(438,357)</b>
Separately disclosed items (refer to note 9)	(98,100)	(139,521)
<b>Finance costs after separately disclosed items</b>	<b>(523,510)</b>	<b>(577,878)</b>
<b>Net finance costs after separately disclosed items</b>	<b>(427,420)</b>	<b>(430,169)</b>

## 8. Income tax

The major components of income tax expense for the year ended 31 December:

	2017	2016
	USD'000	USD'000
Current tax on profits for the year	193,987	175,195
Adjustments for change in estimates related to prior years	(24,506)	(39,193)
	169,481	136,002
Deferred tax credit	(126,151)	(13,423)
<b>Income tax expense</b>	<b>43,330</b>	<b>122,579</b>
Share of income tax of equity-accounted investees	48,963	47,130
<b>Total tax expense</b>	<b>92,293</b>	<b>169,709</b>
<b>Income tax balances included in the consolidated statement of financial position:</b>		
Current income tax receivable (included within accounts receivable and prepayments)	31,551	32,318
Current income tax liabilities	94,567	129,722

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2017	2016
		USD'000	USD'000
Net profit before tax		1,374,076	1,277,646
Tax at the Company's domestic rate of 0% (2016: 0%)		-	-
Income tax on foreign earnings		139,118	121,342
Net current year tax losses incurred, on which deferred tax is not recognised		15,699	27,189
Tax charge on equity-accounted investees		48,963	47,130
Effect of rate change		2,188	(11,035)
Deferred tax in respect of fair value adjustments		(15,198)	(11,436)
Others		20,971	37,226
<b>Tax expense before prior year adjustments</b>		<b>211,741</b>	<b>210,416</b>
Change in estimates related to prior years:			
- current tax		(24,507)	(39,193)
- deferred tax		6,135	(1,514)
<b>Total tax expense from operations before separately disclosed items</b>	<b>(A)</b>	<b>193,369</b>	<b>169,709</b>
Separately disclosed items		(101,076)	-
<b>Total tax expense</b>		<b>92,293</b>	<b>169,709</b>
Net profit before tax		1,374,076	1,277,646
Separately disclosed items		132,878	104,438
Share of income tax of equity-accounted investees		48,963	47,130
<b>Adjusted profit before tax and before separately disclosed items</b>	<b>(B)</b>	<b>1,555,917</b>	<b>1,429,214</b>
<b>Effective tax rate before separately disclosed items</b>	<b>(A/B)</b>	<b>12.43%</b>	<b>11.87%</b>



## 8. Income tax (continued)

### Unrecognised deferred tax assets

Deferred tax assets are not recognised on trading losses of USD 786,799 thousand (2016: USD 656,449 thousand) where utilisation is uncertain, either because they have not been agreed with tax authorities, or because the likelihood of future taxable profits is not sufficiently certain, or because of the impact of tax holidays. Under current legislation, USD 598,892 thousand (2016: USD 420,692 thousand) of these trading losses can be carried forward indefinitely.

Deferred tax assets are also not recognised on capital and other losses of USD 208,342 thousand (2016: USD 221,394 thousand) as their utilisation is uncertain.

### Group tax rates

The Group is not subject to income tax on its UAE operations. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

<i>Geographical segments</i>	<i>Applicable corporate tax rate</i>
Asia Pacific and Indian subcontinent	10% to 34.6%
Australia and Americas	0% to 36.0%
Middle East, Europe and Africa	0% to 34.0%

Movement in temporary differences during the year:

	1 January 2017	Recognised in consolidated statement of profit or loss	Acquisitions in the period	Translation and other movements	31 December 2017
	USD'000	USD'000	USD'000	USD'000	USD'000
<i>Deferred tax liabilities</i>					
Property, plant and equipment	92,599	8,633	-	3,348	104,580
Investment in equity-accounted investee	47,458	(22,826)	-	(1,653)	22,979
Fair value of acquired intangibles	441,415	(15,980)	50,512	42,856	518,803
Others	410,768	(105,061)	(1,245)	1,423	305,885
<b>Total before set off</b>	<b>992,240</b>	<b>(135,234)</b>	<b>49,267</b>	<b>45,974</b>	<b>952,247</b>
<b>Set off of deferred tax asset against liabilities</b>	<b>(46,983)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,387)</b>
<b>Net deferred tax liabilities</b>	<b>945,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>907,860</b>
<i>Deferred tax assets</i>					
Pension and post-employment benefits	13,075	(3,068)	47	1,463	11,517
Financial instruments	8,366	(787)	-	(897)	6,682
Provisions	3,912	(760)	87	(872)	2,367
Tax value of losses carried forward recognised	21,630	418	-	1,773	23,821
<b>Total before set off</b>	<b>46,983</b>	<b>(4,197)</b>	<b>134</b>	<b>1,467</b>	<b>44,387</b>
<b>Set off of deferred tax asset against liabilities</b>	<b>(46,983)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,387)</b>
<b>Net deferred tax assets (included within non-current account receivables and prepayments)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9. Separately disclosed items

	2017	2016
	USD'000	USD'000
<b>Revenue</b>		
Construction contract revenue relating to service concessions	14,053	68,243
<b>Cost of sales</b>		
Construction contract costs relating to service concessions	(14,053)	(68,243)
<b>General and administrative expenses</b>		
Impairment of property, plant and equipment and investment properties	(3,602)	(776)
Acquisition related costs and restructuring provisions (net)	(11,097)	-
<b>Other income</b>	3,433	3,878
<b>Loss on conversion of an associate to a subsidiary</b>	(28,234)	(12,524)
<b>Share of profit/ (loss) from equity-accounted investees</b>	4,172	(2,957)
<b>Finance income</b>		
Change in fair value of convertible bond option	-	47,462
Ineffective swaps	550	-
<b>Finance costs</b>		
Change in fair value of convertible bond option	(77,034)	-
Finance costs related to convertible bond	(21,066)	(20,110)
Ineffective swaps	-	(3,432)
Sukuk redemption costs	-	(61,755)
Transaction costs	-	(54,224)
<b>Income tax</b>	101,076	-
<b>Total</b>	<b>(31,802)</b>	<b>(104,438)</b>

**Construction contract revenue and costs:** In accordance with IFRIC 12 'Service Concession Arrangements', the Group has recorded revenue on the construction of a port in the 'Asia Pacific and Indian subcontinent' region. The construction revenue represents the fair value of the construction services provided in developing the port. No margin has been recognised, as in management's opinion the fair value of the construction services provided approximates the construction cost.

**Impairment of property, plant and equipment and investment properties** relates to subsidiaries in the 'Middle East, Europe and Africa' region.

**Acquisition related costs and restructuring provisions** represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group and reversal of excess restructuring provisions in a subsidiary in the 'Middle East, Europe and Africa' region.

**Other income** represents non-recurring income in a subsidiary in the 'Middle East, Europe and Africa' region. (2016 represents the gain on sale of other investments in the 'Asia Pacific and Indian subcontinent' region and in the 'Middle East, Europe and Africa' region).

**Loss on conversion of an associate to a subsidiary** relates to the loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the 'Australia and Americas' region. (2016 relates to the loss on sale of a subsidiary in the 'Middle East, Europe and Africa' region and loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the 'Asia Pacific and Indian subcontinent' region).

**Share of loss from equity-accounted investees** relates to release of deferred tax liability of USD 15,985 thousand due to tax rate change in an equity-accounted investee in the 'Middle East, Europe and Africa' region offset by impairment of goodwill of USD 11,813 thousand in an equity-accounted investee in the 'Asia Pacific and Indian subcontinent' region. (2016 represents the non-recurring expenses incurred in the 'Middle East, Europe and Africa' region).

**Change in fair value of convertible bond option** relates to the movement based on re-measured fair value of the embedded derivative liability of the convertible bonds.

## 9. Separately disclosed items (continued)

**Ineffective swaps** relates to an ineffective element of cash flow hedge in a subsidiary in the ‘Middle East, Europe and Africa’ region. (2016: ineffective element of a cash flow hedge in a subsidiary in the ‘Middle East, Europe and Africa’ region and the loss on termination of interest rate swap in a subsidiary in the ‘Australia and Americas’ region).

**Finance costs related to convertible bond** represents the accretion of liability component as at the reporting date to the amount that will be payable on redemption of the convertible bond.

**Sukuk redemption costs** represents the redemption premium paid on an early redemption of sukuk bond liability.

**Transaction costs** relates to costs on restructuring and termination of loans in subsidiaries in the ‘Middle East, Europe and Africa’ region.

**Income tax credit** relates to the release of deferred tax liability on account of a tax rate change.

## 10. Dividends

	2017	2016
	USD'000	USD'000
<b>Declared and paid during the year:</b>		
Final dividend: 38 US cents per share/ 30 US cents per share	315,400	249,000
<b>Proposed for approval at the annual general meeting</b>		
<i>(not recognised as a liability as at 31 December):</i>		
Final dividend: 41 US cents per share/ 38 US cents per share	340,300	315,400

## 11. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

	2017	2017	2016	2016
	Before separately disclosed items	Adjusted for separately disclosed items	Before separately disclosed items	Adjusted for separately disclosed items
	USD'000	USD'000	USD'000	USD'000
Profit attributable to the ordinary shareholders of the Company (a)	1,208,517	1,176,715	1,126,554	1,024,254
Adjustment for costs/ (income) related to convertible bonds saved as a result of the conversion	18,772	116,872	18,666	(8,686)
<b>Profit attributable to the ordinary shareholders of the Company after conversion (b)</b>	<b>1,227,289</b>	<b>1,293,587</b>	1,145,220	1,015,568
Weighted average number of basic shares outstanding as at 31 December (c)	830,000,000	830,000,000	830,000,000	830,000,000
Weighted average numbers of shares due to conversion of convertible bond	36,846,510	36,846,510	36,846,510	36,846,510
<b>Total weighted average number of ordinary shares (diluted) outstanding – (d)</b>	<b>866,846,510</b>	<b>866,846,510</b>	866,846,510	866,846,510
<b>Basic earnings per share US cents – (a/c)</b>	<b>145.60</b>	<b>141.77</b>	135.73	123.40
<b>Diluted earnings per share US cents – (b/d)</b>	<b>141.58</b>	<b>141.77*</b>	132.11	117.16
<b>Anti-diluted earnings per share US cents – (b/d)</b>	<b>-</b>	<b>149.23</b>	-	-

\* Diluted earnings per share (adjusted for separately disclosed items) for the year ended 31 December 2017 is equal to basic earnings per share (adjusted for separately disclosed items) as it is antidilutive.

## 12. Property, plant and equipment

	Land and buildings	Plant and equipment	Vessels	Capital work-in-progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Cost</b>					
As at 1 January 2016	3,884,675	3,927,182	279,549	1,056,958	9,148,364
Acquired through business combination	14,964	327,868	-	1,649	344,481
Additions during the year	11,324	62,225	2,960	997,216	1,073,725
Transfers from capital work-in-progress	381,421	282,300	2,013	(665,734)	-
Transfer from investment properties	-	270	-	-	270
Disposals	(30,296)	(48,649)	(2,455)	-	(81,400)
Translation adjustment	(90,513)	(285,415)	(3,817)	(64,484)	(444,229)
As at 31 December 2016	4,171,575	4,265,781	278,250	1,325,605	10,041,211
<b>As at 1 January 2017</b>	<b>4,171,575</b>	<b>4,265,781</b>	<b>278,250</b>	<b>1,325,605</b>	<b>10,041,211</b>
Acquired through business combination	8,579	544,824	93,962	-	647,365
Additions during the year	33,332	65,452	20,267	826,150	945,201
Transfers from capital work-in-progress	346,474	573,461	42,404	(962,339)	-
Transfer from investment properties	-	892	-	-	892
Disposals	(14,897)	(79,407)	(7,494)	-	(101,798)
Translation adjustment	85,339	187,437	21,345	41,298	335,419
As at 31 December 2017	4,630,402	5,558,440	448,734	1,230,714	11,868,290
<b>Depreciation and impairment</b>					
As at 1 January 2016	869,521	1,251,777	57,940	-	2,179,238
Acquired through business combination	1,289	125,875	-	-	127,164
Charge for the year	130,858	212,027	19,392	-	362,277
Impairment loss	4	772	-	-	776
On disposals	(21,966)	(44,699)	(1,370)	-	(68,035)
Translation adjustment	(10,479)	(70,089)	(1,718)	-	(82,286)
As at 31 December 2016	969,227	1,475,663	74,244	-	2,519,134
<b>As at 1 January 2017</b>	<b>969,227</b>	<b>1,475,663</b>	<b>74,244</b>	<b>-</b>	<b>2,519,134</b>
Acquired through business combination	2,037	153,652	53,255	-	208,944
Charge for the year	144,389	252,720	21,826	-	418,935
Impairment loss	-	1,515	-	-	1,515
On disposals	(7,485)	(49,412)	(7,494)	-	(64,391)
Translation adjustment	20,160	56,008	10,614	-	86,782
As at 31 December 2017	1,128,328	1,890,146	152,445	-	3,170,919
<b>Net book value</b>					
At 31 December 2016	3,202,348	2,790,118	204,006	1,325,605	7,522,077
At 31 December 2017	3,502,074	3,668,294	296,289	1,230,714	8,697,371

In the prior years, the Group had entered into agreements with third parties pursuant to which the Group participated in a series of linked transactions including leasing and sub-leasing of certain cranes of the Group (“the Crane French Lease Arrangements”). At 31 December 2017, cranes with aggregate net book value amounting to USD 210,017 thousand (2016: USD 225,756 thousand) were covered by these Crane French Lease Arrangements. These cranes are accounted for as property, plant and equipment as the Group retains all the risks and rewards incidental to the ownership of the underlying assets.

At 31 December 2017, property, plant and equipment with a carrying amount of USD 1,917,423 thousand (2016: USD 2,180,671 thousand) are pledged to bank loans (refer to note 29).

Borrowing costs capitalised to property, plant and equipment amounted to USD 5,121 thousand (2016: USD 20,510 thousand) with a capitalisation rate in the range of 0.16% to 0.53% per annum (2016: 2.27% to 3.84% per annum).

The fair value of property, plant and equipment recognised as a result of business combination was determined using the market approach model.

### 13. Investment properties

	<b>Land</b>	<b>Buildings and infrastructure</b>	<b>Under development</b>	<b>Total</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
<b>Cost</b>				
As at 1 January 2016	30,378	970,094	205,016	1,205,488
Additions during the year	3,491	88,801	44,609	136,901
Transfers	-	11,716	(11,716)	-
Transfer to property, plant and equipment	-	-	(270)	(270)
Translation adjustment	(260)	-	(97)	(357)
As at 31 December 2016	33,609	1,070,611	237,542	1,341,762
<b>As at 1 January 2017</b>	<b>33,609</b>	<b>1,070,611</b>	<b>237,542</b>	<b>1,341,762</b>
Additions during the year	2,450	-	96,434	98,884
Transfers	-	92,736	(92,736)	-
Transfer to property, plant and equipment	-	-	(892)	(892)
Disposals	(251)	(15,500)	(1,196)	(16,947)
Translation adjustment	1,609	-	54	1,663
<b>As at 31 December 2017</b>	<b>37,417</b>	<b>1,147,847</b>	<b>239,206</b>	<b>1,424,470</b>
<b>Depreciation and impairment</b>				
As at 1 January 2016	-	28,259	-	28,259
Depreciation charge for the year	-	33,178	-	33,178
As at 31 December 2016	-	61,437	-	61,437
<b>As at 1 January 2017</b>	<b>-</b>	<b>61,437</b>	<b>-</b>	<b>61,437</b>
Depreciation charge for the year	-	37,767	-	37,767
Impairment loss	-	1,746	341	2,087
<b>As at 31 December 2017</b>	<b>-</b>	<b>100,950</b>	<b>341</b>	<b>101,291</b>
<b>Net book value:</b>				
As at 31 December 2016	33,609	1,009,174	237,542	1,280,325
<b>As at 31 December 2017</b>	<b>37,417</b>	<b>1,046,897</b>	<b>238,865</b>	<b>1,323,179</b>

Revenue on lease rentals from investment properties recognised in profit or loss amounted to USD 466,677 thousand (2016: USD 460,865 thousand) while associated costs related to these investment properties amounted to USD 114,478 thousand (2016: USD 109,790 thousand).

#### Land:

At 31 December 2017, the fair value of land was estimated to be USD 76,900 thousand (2016: USD 65,941 thousand) compared to the carrying value of USD 37,417 thousand (2016: USD 33,609 thousand).

#### Buildings and infrastructure:

At 31 December 2017, the fair value of buildings and infrastructure was USD 2,271,513 thousand (2016: USD 2,107,291 thousand) compared to the carrying value of USD 1,046,897 thousand (2016: USD 1,009,174 thousand). The buildings and infrastructure are constructed on a land for which the Economic Zones and Logistics park business obtained land use rights for a period of 99 years.

#### Investment properties under development:

Investment properties under development mainly include infrastructure development, staff accommodation and office building in Jebel Ali Free Zone, UAE. Based on management's assessment, the fair value of investment properties under development approximates their carrying value as at the reporting date.

#### Key assumptions used in determination of the fair value of investment properties

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the investment properties has been performed using income capitalization, comparable and residual methods of valuation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions and comparable benchmarking of rents and capital values and rentals in the wider corresponding market. The significant unobservable inputs used in the fair value measurement are as follows:

### 13. Investment properties (continued)

- Market rent (per square metre per annum)
- Rent growth per annum
- Historical and estimated long term occupancy rate
- Yields, discount rates and terminal capitalization rates

The fair value of investment properties are categorised under level 3 hierarchy and the Group considers the current use of these properties as their highest and best use.

### 14. Intangible assets and goodwill

	Land use rights	Goodwill	Port concession rights and other intangible assets	Total
	USD'000	USD'000	USD'000	USD'000
<b>Cost</b>				
As at 1 January 2016	2,677,717	1,460,386	4,042,167	8,180,270
Acquired through business combinations	-	61,519	498,400	559,919
Additions	-	-	87,502	87,502
Translation adjustment	-	(166,122)	(194,357)	(360,479)
As at 31 December 2016	2,677,717	1,355,783	4,433,712	8,467,212
<b>As at 1 January 2017</b>	<b>2,677,717</b>	<b>1,355,783</b>	<b>4,433,712</b>	<b>8,467,212</b>
Acquired through business combinations	-	-	365,287	365,287
Additions	-	-	87,662	87,662
Translation adjustment	-	114,598	331,731	446,329
As at 31 December 2017	2,677,717	1,470,381	5,218,392	9,366,490
<b>Amortisation and impairment</b>				
As at 1 January 2016	23,096	-	1,022,257	1,045,353
Charge for the year	29,212	-	118,216	147,428
Translation adjustment	-	-	(14,707)	(14,707)
As at 31 December 2016	52,308	-	1,125,766	1,178,074
<b>As at 1 January 2017</b>	<b>52,308</b>	<b>-</b>	<b>1,125,766</b>	<b>1,178,074</b>
Charge for the year	29,200	-	146,308	175,508
Translation adjustment	-	-	92,254	92,254
As at 31 December 2017	81,508	-	1,364,328	1,445,836
<b>Net book value:</b>				
As at 31 December 2016	2,625,409	1,355,783	3,307,946	7,289,138
As at 31 December 2017	2,596,209	1,470,381	3,854,064	7,920,654

Port concession rights include concession agreements which are mainly accounted for as part of business combinations and acquisitions. These concessions were determined to have finite and indefinite useful lives based on the terms of the respective concession agreements and the income approach model was used for the purpose of determining their fair values.

At 31 December 2017, port concession rights with a carrying amount of USD 374 thousand (2016: USD 11,790 thousand) are pledged to bank loans (refer to note 29).

## 15. Impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units, for the purpose of impairment testing.

Impairment testing is done at an operating port (or group of ports) level that represents an individual CGU. Details of the CGUs by operating segment are shown below:

	Carrying amount of goodwill		Carrying amount of port concession rights with indefinite useful life		Discount rates	Perpetuity growth rate
	2017	2016	2017	2016		
	USD'000	USD'000	USD'000	USD'000		
<b>Cash-generating units aggregated by operating segment</b>						
Asia Pacific and Indian subcontinent	<b>233,570</b>	219,919	-	-	6.50% - 11.50%	2.50%
Australia and Americas	<b>342,650</b>	320,926	-	-	6.00% - 14.50%	2.50%
Middle East, Europe and Africa	<b>894,161</b>	814,938	<b>848,880</b>	776,919	6.00% - 16.00%	2.50%
<b>Total</b>	<b>1,470,381</b>	1,355,783	<b>848,880</b>	776,919		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

### Key assumptions used in value in use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

*Budgeted margins* – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

*Discount rates* – These represent the cost of capital adjusted for the risks associated with the cash flows of the CGU being valued. The Group uses the post-tax Weighted Average Cost of Capital that represents a market participant discount rate.

*Cost inflation* – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating.

*Perpetuity growth rate* – In management's view, the perpetuity growth rate is the minimum growth rate expected to be achieved beyond the eight year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio.

The values assigned to key assumptions are consistent with the past experience of management.

### Sensitivity to changes in assumptions

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. The analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in significant impairment. Similarly, an increase of 0.25% in discount rate and decrease of 0.25% in perpetuity growth rate would not result in significant impairment.

## 16. Investment in equity-accounted investees

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value adjustments (using the income approach model) at acquisition together with the carrying amount of the Group's interest in equity-accounted investees as included in the consolidated statement of financial position:

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Total	
	2017 USD'000	2016 USD'000	2017 USD'000	2016 USD'000	2017 USD'000	2016 USD'000	2017 USD'000	2016 USD'000
Cash and cash equivalents	619,948	432,726	138,293	147,176	239,142	203,733	997,383	783,635
Other current assets	186,374	232,754	106,289	111,735	265,891	186,858	558,554	531,347
Non-current assets	6,396,749	6,167,755	1,586,116	2,146,178	2,813,120	2,459,574	10,795,985	10,773,507
<b>Total assets</b>	<b>7,203,071</b>	<b>6,833,235</b>	<b>1,830,698</b>	<b>2,405,089</b>	<b>3,318,153</b>	<b>2,850,165</b>	<b>12,351,922</b>	<b>12,088,489</b>
Current financial liabilities	25,951	-	17,027	595,272	61,144	37,734	104,122	633,006
Other current liabilities	434,519	317,386	181,136	170,598	293,921	249,081	909,576	737,065
Non-current financial liabilities	973,497	1,092,416	1,282,768	1,009,024	579,555	534,625	2,835,820	2,636,065
Other non-current liabilities	430,311	466,819	17,105	137,061	583,467	520,062	1,030,883	1,123,942
<b>Total liabilities</b>	<b>1,864,278</b>	<b>1,876,621</b>	<b>1,498,036</b>	<b>1,911,955</b>	<b>1,518,087</b>	<b>1,341,502</b>	<b>4,880,401</b>	<b>5,130,078</b>
<b>Net assets (100%)</b>	<b>5,338,793</b>	<b>4,956,614</b>	<b>332,662</b>	<b>493,134</b>	<b>1,800,066</b>	<b>1,508,663</b>	<b>7,471,521</b>	<b>6,958,411</b>
<b>Group's share of net assets in equity-accounted investees</b>							<b>2,172,683</b>	<b>1,951,658</b>
Revenue	1,375,504	1,489,325	656,529	599,720	746,085	587,559	2,778,118	2,676,604
Depreciation and amortisation	(263,768)	(292,542)	(92,531)	(107,201)	(107,066)	(93,828)	(463,365)	(493,571)
Other expenses	(566,946)	(605,441)	(458,788)	(410,974)	(526,943)	(448,606)	(1,552,677)	(1,465,021)
Interest expense	(70,211)	(70,090)	(223,476)	(241,971)	(46,505)	(42,015)	(340,192)	(354,076)
Other finance income	21,225	19,860	51,386	149,040	(646)	1,753	71,965	170,653
Income tax expense	(138,080)	(146,669)	(26,530)	(3,295)	(17,487)	25,503	(182,097)	(124,461)
<b>Net profit/ (loss) (100%)</b>	<b>357,724</b>	<b>394,443</b>	<b>(93,410)</b>	<b>(14,681)</b>	<b>47,438</b>	<b>30,366</b>	<b>311,752</b>	<b>410,128</b>
<b>Group's share of profit (before separately disclosed items)</b>							<b>123,592</b>	<b>149,435</b>
<b>Dividends received</b>							<b>114,695</b>	<b>151,146</b>
<b>Group's share of other comprehensive income</b>							<b>3,988</b>	<b>3,416</b>



## 17. Accounts receivable and prepayments

	2017	2017	2016	2016
	Non-current	Current	Non-current	Current
	USD'000	USD'000	USD'000	USD'000
Trade receivables (net)	-	454,052	-	410,334
Advances paid to suppliers	-	69,776	-	81,966
Other receivables and prepayments	167,886	298,160	137,789	220,515
Due from related parties (refer to note 25)	313,855	49,554	290,838	80,530
<b>Total</b>	<b>481,741</b>	<b>871,542</b>	428,627	793,345

The Group's exposure to credit and currency risks are disclosed in note 26.

## 18. Cash and cash equivalents

	2017	2016
	USD'000	USD'000
Cash at banks and in hand	651,675	619,251
Short-term deposits	815,854	614,618
Deposits under lien	16,150	65,522
<b>Cash and cash equivalents for consolidated statement of cash flows</b>	<b>1,483,679</b>	1,299,391

Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates.

The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries.

## Cash flow information

		2017	2016
	Note	USD'000	USD'000
<b>Cash flows from operating activities</b>			
Profit for the year		1,330,746	1,155,067
<i>Adjustments for:</i>			
Depreciation and amortization	6	632,210	542,883
Impairment loss	6	3,602	776
Share of profit from equity-accounted investees (net of tax)		(127,764)	(146,478)
Finance costs	7	523,510	577,878
Gain on disposal of other investments		-	(3,878)
Gain on sale of property, plant and equipment		(5,172)	(999)
Loss on disposal and change in ownership of business	9	28,234	15,490
Finance income	7	(96,090)	(147,709)
Income tax expense	8	43,330	122,579
<b>Gross cash flows from operations</b>		<b>2,332,606</b>	2,115,609

## 19. Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2017	2016
	USD'000	USD'000
As at 1 January	112,594	97,762
Acquired through business combinations	-	8,422
Provision made during the year *	20,560	17,647
Amounts paid during the year	(12,607)	(11,237)
Translation	1,683	-
<b>As at 31 December</b>	<b>122,230</b>	112,594

\* The provision for expatriate staff gratuities, included in Employees' end of service benefits, is calculated in accordance with the regulations of the Jebel Ali Free Zone Authority. This is based on the liability that would arise if employment of all staff were terminated at the reporting date.

## **19. Employees' end of service benefits (continued)**

The UAE government had introduced Federal Labour Law No.7 of 1999 for pension and social security. Under this Law, employers are required to contribute 15% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss as incurred.

## **20. Pension and post-employment benefits**

The Group participates in a number of pension schemes throughout the world.

### **a) P&O UK Scheme**

This principal scheme is located in the UK (the "P&O UK Scheme"). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002 and to future accrual on 31 December 2015. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the most recent valuation was at 31 March 2016 using the projected unit credit method. The deficit on a statutory funding objectives basis was USD 123,078 thousand. The Group agreed with the Trustee to a new monthly deficit payment plan effective from 1 April 2016 of USD 12,173 thousand until 31 March 2020, then increasing to a total of USD 13,863 thousand until 31 March 2024 and then increasing to USD 16,230 thousand a year until 30 November 2026.

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

In December 2017, the Group entered into a Flexible Apportionment Arrangement which enabled a related party to withdraw as an employer from the P&O Pension Scheme, following which all current and future deficit liabilities of the Scheme were taken over by the Group with an additional cash contribution of USD 17,583 thousand.

### **b) Merchant Navy Officers' Pension Fund ("MNOF")**

The Group participates in various industry multi-employer schemes, the most significant of which is the MNOF Scheme and is in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

It is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated.

The most recent formal actuarial valuation of the New Section of MNOF scheme was carried out as at 31 March 2015. This resulted in a deficit of USD 4,058 thousand. The Trustee Board believe their investment strategy will address this deficit and therefore has not issued deficit contribution notices to employers in respect of the 2015 actuarial valuation. The New Section closed to future accrual in April 2016.

Following earlier actuarial valuations in 2009 and 2012 the Trustee and Employers agreed contributions to be paid to the Section by participating employers over the period to 30 September 2023. These contributions included an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share. In September 2017, the Trustee offered a settlement sum of USD 19,926 thousand to the Group which would clear the outstanding contributions (due payable bi-annually to September 2023) and save the Group USD 2,807 thousand in future interest payments. The Group agreed and settled the payment on 28 September 2017. There are no outstanding contributions due by Group in 2018.

In 2016, Group has accounted for an amount of USD 91,281 thousand as an additional defined benefit obligation with regards to reapportionment of deficit contribution from a related party. In April 2017, this liability was borne and paid by the Parent Company.

The Group's share of the net deficit of the New Section at 31 December 2017 is estimated at 5.36%.

## 20. Pension and post-employment benefits (continued)

### c) Merchant Navy Ratings' Pension Fund ("MNRPF")

The MNRPF Scheme is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual from 2001.

Certain Group companies, which are no longer current employers in the MNRPF had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustee could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed, the decision was not overturned.

The Group's deficit contributions arising from the 31 March 2014 valuation totalled USD 38,276 thousand (equating to 7.0% share of the net deficit). The contributions due to the Scheme in respect of this valuation will be paid over the period to 31 October 2022. Deficit contributions of USD 4,795 thousand were paid into the Scheme in 2017. The Group's aggregated outstanding contributions from this valuation are payable as follows: 2018 to 2022 USD 4,797 thousand per annum.

The most recent formal actuarial valuation was carried out as at 31 March 2017. The Group's deficit contributions arising from this valuation totalled USD 11,796 thousand. A consultation regarding the valuation assumptions, factors and outcome is currently underway. The Group has submitted a response to the consultation. A final decision by the Trustee is expected to be communicated at the end of Q1 2018.

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

### d) Others

The Group also operates a number of smaller defined benefit and defined contribution schemes.

The board of a pension scheme in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans, if appropriate.

These defined benefit schemes expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

#### *Reconciliation of assets and liabilities recognised in the consolidated statement of financial position*

	2017	2016
	USD'000	USD'000
<b>Non-current</b>		
Defined benefit schemes net liabilities	187,037	313,980
Liability in respect of long service leave	331	406
Liability for other non-current deferred compensation	202	305
	187,570	314,691
<b>Current</b>		
Liability for current deferred compensation	7,324	8,185
<b>Net liabilities</b>	194,894	322,876
<i>Reflected in the consolidated statement of financial position as follows:</i>		
Employee benefits assets (included within non-current receivables)	-	-
Employee benefits liabilities: Non-current	187,570	314,691
Employee benefits liabilities: Current	7,324	8,185

## 20. Pension and post-employment benefits (continued)

Long term employee benefit expense recognised in consolidated statement of profit and loss consist of following:

	2017	2016
	USD'000	USD'000
Defined benefit schemes	7,722	6,617
Defined contribution schemes	11,664	10,215
Other employee benefits	1,545	11,623
<b>Total</b>	<b>20,931</b>	<b>28,455</b>

The re-measurements of the net defined benefit liability gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2017	2016
	USD'000	USD'000
Actuarial (gain)/loss recognised in the year	(51,610)	368,269
Return on plan assets greater/(lesser) than the discount rate	(58,045)	(150,722)
Change in share in multi-employer scheme	643	(270)
Movement in minimum funding liability	108,881	(12,290)
<b>Total</b>	<b>(131)</b>	<b>204,987</b>

### Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2017 by qualified independent actuaries. The principal assumptions are included in the table below. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme	MNOFP scheme	Other schemes	P&O UK scheme	MNOFP scheme	Other schemes
	2017	2017	2017	2016	2016	2016
Discount rates	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Discount rates bulk annuity asset	2.30%	-	-	2.40%	-	-
Expected rates of salary increases	-*	-*	2.4%	-*	-*	3.00%
Pension increases:						
deferment	3.00%	2.45%	2.80%	3.00%	2.50%	3.20%
payment	3.00%	3.35%	3.10%	3.00%	3.40%	3.20%
Inflation	3.45%	3.45%	3.30%	3.50%	3.50%	3.30%

\* The P&O UK Scheme and MNOFP were closed to future accrual as at 31 December 2016, so future pay increases are not relevant.

## 20. Pension and post-employment benefits (continued)

The assumptions for pensioner longevity under both the P&O UK scheme and the MNOPF scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	Age 65 in 20 years' time	Age 65 now	Age 65 in 20 years' time
<b>2017</b>				
<b>P&amp;O UK scheme</b>	<b>21.9</b>	<b>23.7</b>	<b>23.8</b>	<b>25.6</b>
<b>MNOPF scheme</b>	<b>23.0</b>	<b>26.0</b>	<b>26.4</b>	<b>29.3</b>
2016				
P&O UK scheme	22.3	24.5	24.3	26.6
MNOPF scheme	23.0	25.9	26.4	29.2

At 31 December 2017, the weighted average duration of the defined benefit obligation was 15.6 years (2016: 17.3 years).

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2017 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	5,400
0.1% increase in inflation assumption and related assumptions	2,200
0.25% p.a. increase in the long term rate of mortality improvement	2,600

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme	MNOPF scheme	Other schemes	Total group schemes fair value
	USD'000	USD'000	USD'000	USD'000
<b>2017</b>				
Equities	260,221	89,400	66,002	415,623
Bonds	349,486	164,735	184,887	699,108
Other	190,432	-	38,005	228,437
Value of insured pensioner liability	1,033,581	-	2,840	1,036,421
<b>Total</b>	<b>1,833,720</b>	<b>254,135</b>	<b>291,734</b>	<b>2,379,589</b>
2016				
Equities	443,643	51,721	79,866	575,230
Bonds	188,987	74,928	144,424	408,339
Other	27,404	-	19,504	46,908
Value of insured pensioner liability	984,557	-	-	984,557
Total	1,644,591	126,649	243,794	2,015,034

With the exception of the insured pensioner liability, all material investments have quoted prices in active markets.

**20. Pension and post-employment benefits (continued)**

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2017 and 31 December 2016:

	<b>P&amp;O UK scheme</b>	<b>MNOPF scheme</b>	<b>Other schemes</b>	<b>Total group schemes</b>	<b>P&amp;O UK scheme</b>	<b>MNOPF scheme</b>	<b>Other schemes</b>	<b>Total group schemes</b>
	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	2016	2016	2016	2016
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	USD'000	USD'000	USD'000	USD'000
<b>Present value of obligation at 1 January</b>	<b>(1,763,587)</b>	<b>(223,797)</b>	<b>(317,436)</b>	<b>(2,304,820)</b>	(1,871,200)	(220,700)	(304,389)	(2,396,289)
Employer's interest cost	(45,046)	(5,663)	(8,668)	(59,377)	(61,450)	(7,293)	(10,345)	(79,088)
Employer's current service cost	-	-	(4,118)	(4,118)	-	-	(2,836)	(2,836)
Contributions by scheme participants	-	-	(1,158)	(1,158)	-	-	(1,215)	(1,215)
Effect of movement in exchange rates	(164,505)	(20,534)	(30,484)	(215,523)	331,852	40,661	61,238	433,751
Benefits paid	92,022	10,811	10,167	113,000	91,298	9,994	11,210	112,502
Experience gains/(losses) on scheme liabilities	9,653	8,366	(1,287)	16,732	29,577	135	810	30,522
Change in share in multi-employer scheme	(7,979)	3,346	-	(4,633)	-	(3,376)	-	(3,376)
Actuarial gain on scheme liabilities due to change in demographic assumptions	33,977	-	2,574	36,551	70,046	1,891	-	71,937
Actuarial gains/(losses) on scheme liabilities due to change in financial assumptions	3,089	386	(5,148)	(1,673)	(353,710)	(45,109)	(71,909)	(470,728)
<b>Present value of obligation at 31 December</b>	<b>(1,842,376)</b>	<b>(227,085)</b>	<b>(355,558)</b>	<b>(2,425,019)</b>	(1,763,587)	(223,797)	(317,436)	(2,304,820)

**20. Pension and post-employment benefits (continued)**

Reconciliation of the opening and closing present value of fair value of scheme assets for the period ended 31 December 2017 and 31 December 2016:

	<b>P&amp;O UK scheme</b>	<b>MNOPF scheme</b>	<b>Other schemes</b>	<b>Total group schemes</b>	<b>P&amp;O UK scheme</b>	<b>MNOPF scheme</b>	<b>Other schemes</b>	<b>Total group schemes</b>
	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	2016	2016	2016	2016
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	USD'000	USD'000	USD'000	USD'000
Fair value of scheme assets at 1 January	<b>1,644,591</b>	<b>126,649</b>	<b>243,794</b>	<b>2,015,034</b>	1,794,483	220,374	243,296	2,258,153
Interest income on assets	<b>42,214</b>	<b>5,148</b>	<b>6,821</b>	<b>54,183</b>	59,019	7,293	8,508	74,820
Return on plan assets greater/ (lesser) than the discount rate	<b>45,432</b>	<b>3,346</b>	<b>9,267</b>	<b>58,045</b>	187,457	(68,338)	31,603	150,722
Contributions by employer	<b>28,958</b>	<b>116,217</b>	<b>17,375</b>	<b>162,550</b>	11,345	5,672	19,853	36,870
Contributions by scheme participants	-	-	<b>1,158</b>	<b>1,158</b>	-	-	1,215	1,215
Effect of movement in exchange rates	<b>159,013</b>	<b>17,704</b>	<b>24,516</b>	<b>201,233</b>	(314,254)	(31,464)	(48,391)	(394,109)
Benefits paid	<b>(92,022)</b>	<b>(10,811)</b>	<b>(10,167)</b>	<b>(113,000)</b>	(91,298)	(9,994)	(11,210)	(112,502)
Change in share in multi-employer scheme	<b>7,722</b>	<b>(3,732)</b>	-	<b>3,990</b>	-	3,646	-	3,646
Administration costs incurred during the year	<b>(2,188)</b>	<b>(386)</b>	<b>(1,030)</b>	<b>(3,604)</b>	(2,161)	(540)	(1,080)	(3,781)
<b>Fair value of scheme assets at 31 December</b>	<b>1,833,720</b>	<b>254,135</b>	<b>291,734</b>	<b>2,379,589</b>	1,644,591	126,649	243,794	2,015,034
Defined benefit schemes net liabilities	<b>(8,656)</b>	<b>27,050</b>	<b>(63,824)</b>	<b>(45,430)</b>	(118,996)	(97,148)	(73,642)	(289,786)
Minimum funding liability	<b>(103,872)</b>	<b>(27,050)</b>	<b>(10,685)</b>	<b>(141,607)</b>	-	(14,936)	(9,258)	(24,194)
<b>Net liability recognised in the consolidated statement of financial position at 31 December</b>	<b>(112,528)</b>	-	<b>(74,509)</b>	<b>(187,037)</b>	(118,996)	(112,084)*	(82,900)	(313,980)

\* This includes reappportionment of pension fund deficit contribution from a related party at the reporting date.

## 20. Pension and post-employment benefits (continued)

A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

The below table shows the movement in minimum funding liability:-

	2017	2016
	USD'000	USD'000
Minimum funding liability as on 1 January	(24,194)	(41,000)
Employer's interest cost	(643)	(1,350)
Actuarial (loss)/gain during the year	(108,881)	12,290
Effect of movement in exchange rates	(7,889)	5,866
<b>Minimum funding liability as on 31 December</b>	<b>(141,607)</b>	<b>(24,194)</b>

It is anticipated that the Group will make the following contributions to the pension schemes in 2018:

	P&O UK scheme	MNOF scheme	Other schemes	Total group schemes
	USD'000	USD'000	USD'000	USD'000
Pension scheme contributions	12,173	-	12,443	24,616

## 21. Accounts payable and accruals

	2017	2017	2016	2016
	Non-current	Current	Non-current	Current
	USD'000	USD'000	USD'000	USD'000
Trade payables	-	197,946	-	170,181
Other payables and accruals	141,363	1,698,238	112,047	1,420,813
Provisions*	889	39,355	1,313	56,767
Fair value of derivative financial instruments	339,966	-	278,767	6,144
Amounts due to related parties (refer to note 25)	-	12,242	-	9,904
<b>As at 31 December</b>	<b>482,218</b>	<b>1,947,781</b>	<b>392,127</b>	<b>1,663,809</b>

\* During the current year, additional provision of USD 21,227 thousand was made (2016: USD 43,269 thousand) and an amount of USD 39,063 thousand was utilised (2016: USD 81,470 thousand).



## 22. Non-controlling interests ('NCI')

The following table summarises the financial information for the material NCI of the Group:

	Middle East, Europe and Africa region	Asia Pacific and Indian subcontinent	Australia and Americas	Other individually immaterial subsidiaries*	Total	Middle East, Europe and Africa region	Asia Pacific and Indian subcontinent	Other individually immaterial subsidiaries*	Total
	2017	2017	2017	2017	2017	2016	2016	2016	2016
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance sheet information:</b>									
Non-current assets	292,405	531,769	939,020			302,327	472,361		
Current assets	117,453	155,497	393,979			320,003	113,765		
Non-current liabilities	(912)	(20,163)	(851,750)			(18,058)	(13,259)		
Current liabilities	(19,565)	(31,056)	(325,951)			(48,773)	(21,761)		
<b>Net assets (100%)</b>	<b>389,381</b>	<b>636,047</b>	<b>155,298</b>			<b>555,499</b>	<b>551,106</b>		
Carrying amount of fair value adjustments excluding goodwill	-	205,144	170,147			-	186,545		
<b>Total</b>	<b>389,381</b>	<b>841,191</b>	<b>325,445</b>			<b>555,499</b>	<b>737,651</b>		
<b>Carrying amount of NCI as at 31 December</b>	<b>259,837</b>	<b>285,727</b>	<b>146,450</b>	<b>119,187</b>	<b>811,201</b>	<b>370,597</b>	<b>250,580</b>	<b>100,657</b>	<b>721,834</b>
<b>Statement of profit or loss information:</b>									
Revenue	237,235	224,141	310,274			233,524	-		
Profit after tax	130,309	63,569	30,233			130,174	-		
Other comprehensive income, net of tax	546	95,976	32,318			2,994	-		
Total comprehensive income (100%), net of tax	130,855	159,545	62,551			133,168	-		
Profit allocated to NCI	86,903	21,594	13,605	31,929	154,031	86,798	-	44,015	130,813
Other comprehensive income attributable to NCI	364	32,603	14,543	556	4,066	1,996	-	(6,797)	(4,801)
Total comprehensive income attributable to NCI	87,267	54,197	28,148	32,485	202,097	88,794	-	37,218	126,012
<b>Cash flow statement information:</b>									
Cash flows from operating activities	(30,806)	105,407	49,291			149,437	-		
Cash flows from investing activities	(10,072)	(64,858)	(99,666)			(7,143)	-		
Cash flows from financing activities	(151,995)	(50,425)	55,902			(50,877)	-		
Dividends paid to NCI	198,375	17,332	-			-	-		

\* There are no material subsidiaries with NCI in the other operating segments of the Group.

## 23. Business combinations

### Acquisition of new subsidiaries

- (a) On 26 July 2017, the Group acquired a 93% stake in Remolques y Servicios Maritimos, S.L. Group (“Reyser”) Spanish business and a controlling stake in International business through an existing subsidiary Remolcadores de Puerto y Altura, S.A. (“Repasa”). The carrying value and fair value of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
<b>Assets</b>		
Property, plant and equipment	10,398	44,719
Concession rights	308	145,684
Deferred tax assets	1,428	1,428
Investment in equity-accounted investees	14,273	36,625
Accounts receivables and prepayments	20,054	20,054
Inventory	890	890
Bank balances and cash	3,754	3,754
<b>Liabilities</b>		
Interest bearing loans and borrowings	(6,036)	(6,036)
Deferred tax liabilities	(49)	(50,561)
Accounts payable and accruals	(19,387)	(19,387)
<b>Net assets</b>	<b>25,633</b>	<b>177,170</b>
<b>Less: Non-controlling interests</b>		<b>(3,388)</b>
<b>Total</b>		<b>173,782</b>

From the date of acquisition, Reyser has contributed a loss of USD 3,359 thousand to the Group. If the acquisition had taken place at the beginning of the year, the profit of the Group would have decreased by USD 7,068 thousand and revenue would have increased by USD 56,333 thousand.

- (b) On 30 November 2017, the Group acquired the remaining 66.67% stake in Empresa Brasileira de Terminais Portuarios S.A. (“Embraport”) in Brazil from Odebrecht Transport S.A. increasing the shareholding in Embraport to 100%.

This acquisition has resulted in recognition of port concession rights of USD 219,603 thousand.

From the date of acquisition, Embraport has contributed revenue of USD 7,891 thousand and loss of USD 8,691 thousand. If the acquisition had taken place at the beginning of the year, the profit of the Group would have reduced by USD 28,218 thousand and revenue would have increased by USD 74,160 thousand.

## 24. Significant group entities

The extent of the Group's ownership in its various subsidiaries, equity-accounted investees and their principal activities are as follows:

### a) Significant holding companies

<b>Legal Name</b>	<b>Ownership interest</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
DP World FZE	100%	United Arab Emirates	Development and management of international marine and inland terminal operations
Thunder FZE	100%	United Arab Emirates	Holding company
The Peninsular and Oriental Steam Navigation Company Limited	100%	United Kingdom	Management and operation of international marine terminal operations
Economic Zones World FZE	100%	United Arab Emirates	Development, management and operation of free zones, economic zones, industrial zones and logistics parks
DP World Australia (POSN) Pty Ltd	100%	Australia	Holding company
DPI Terminals Asia Holdings Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DPI Terminals Asia (BVI) Limited	100%	British Virgin Islands	Holding company
DP World Ports Cooperatieve U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperatieve U.A.	100%	Netherlands	Holding company

24. Significant group entities (continued)

b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
Empresa Brasileira de Terminais Portuarios S.A. (refer to note 23)	100%	Brazil	Container terminal operations
DP World (Canada) Inc.	55%*	Canada	Container terminal operations
DP World Prince Rupert Inc.	55%*	Canada	Container terminal operations
DP World Saint John, Inc.	100%	Canada	Container terminal operations
DP World Limassol Limited	75%	Cyprus	Multi-purpose and general cargo terminal operations
DP World Sokhna SAE	100%	Egypt	Container terminal operations
DPWorld Posorja S.A.	78%	Ecuador	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Private Ltd	81.63%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	100%	India	Container terminal operations
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A.	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	75%	Pakistan	Container terminal operations
DP World Callao S.R.L.	100%	Peru	Container terminal operations
Doraleh Container Terminal S.A.	33.34%**	Republic of Djibouti #	Container terminal operations
Integra Port Services N.V.	60%	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	60%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	100%	Romania	Container terminal operations
DP World Dakar SA	90%	Senegal	Container terminal operations
DP World Berbera	65%	Somaliland	Container terminal operations
Pusan Newport Co., Ltd	66.03%	South Korea	Container terminal operations
DP World Tarragona SA	60%	Spain	Container terminal operations
DP World Yarımca Liman İşletmeleri AS	100%	Turkey	Container terminal operations
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Container terminal operations

24. Significant group entities (continued)

c) Associates and joint ventures – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World DjenDjen Spa	50%	Algeria	Container terminal operations
DP World Australia (Holding) Pty Ltd	25%	Australia	Container terminal operations
Antwerp Gateway N.V	60%***	Belgium	Container terminal operations
Caucedo Investments Inc.	50%	British Virgin Islands	Container terminal operations
Eurofos SARL	50%	France	Container terminal operations
Generale de Manutention Portuaire S.A	50%	France	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations
Visakha Container Terminals Private Limited	26%	India	Container terminal operations
PT Terminal Petikemas Surabaya	49%	Indonesia	Container terminal operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Ltd	29%	People's Republic of China	Container terminal operations
Tianjin Orient Container Terminals Co., Ltd	24.50%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	12.50%	People's Republic of China	Container terminal operations
Asian Terminals Inc	50.54%****	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	34.50%	Thailand	Container terminal operations

d) Other non-port business

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
DP World Antwerp Terminals N.V.	100%	Belgium	Ancillary container services
DP World Germersheim GmbH and Co. KG	100%	Germany	Inland container terminal operations
DP World Germany B.V.	100%	Netherlands	Inland container terminal operations
Container Rail Road Services Pvt Limited	100%	India	Container rail freight operations
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services
Maputo Intermodal Container Depot, SA	50.00%	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo, S.A.	24.74%	Mozambique	Port management and cargo handling
DP World Peru S.R.L.	100%	Peru	Terminal related activities
Port Secure FZCO	40%	Republic of Djibouti #	Port security services
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Remolques y Servicios Marítimos, S.L.	93%	Spain	Maritime services
Dubai International Djibouti FZE	100%	United Arab Emirates	Port management and operation
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
World Security FZE	100%	United Arab Emirates	Security services
Jebel Ali Free Zone FZE	100%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
LG Park Freehold Limited	100%	United Kingdom	Management and operation of industrial parks

## 24. Significant group entities (continued)

- \* Ownership change from 100% to 55% effective 19 January 2017.
- \*\* Although the Group only has a 33.34% effective ownership interest in this entity, it is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.
- \*\*\* Although the Group has more than 60% effective ownership interest in this entity, it is not treated as a subsidiary, but instead treated as an equity-accounted investee. The underlying shareholder agreement does not provide control to the Group.
- \*\*\*\* Although the Group has more than 50% effective ownership interest in this entity, it is not treated as a subsidiary, but instead treated as an equity-accounted investee. The underlying shareholder agreement does not provide control to the Group.

# Refer note 34 (b).

## 25. Related party transactions

### Other related party transactions

Transactions with related parties included in the consolidated financial statements are as follows:

	Ultimate Parent Company	Equity- accounted investees	Other related parties	Total	Ultimate Parent Company	Equity- accounted investees	Other related parties	Total
	2017	2017	2017	2017	2016	2016	2016	2016
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<i>Expenses charged:</i>								
Concession fee	-	-	49,517	49,517	-	-	47,292	47,292
Shared services	-	-	736	736	-	-	931	931
Other services	-	-	19,923	19,923	-	-	18,864	18,864
<i>Revenue earned:</i>								
Management fee income	-	19,366	30,659	50,025	-	25,855	27,540	53,395
Interest income	-	28,368	-	28,368	-	24,276	-	24,276

Balances with related parties included in the consolidated statement of financial position are as follows:

	Due from related parties		Due to related parties	
	2017	2016	2017	2016
	USD'000	USD'000	USD'000	USD'000
Ultimate Parent Company	2,217	2,220	219	361
Parent Company	902	18,972	5	194
Equity-accounted investees	347,289	336,722	3,107	2,168
Other related parties	13,001	13,454	8,911	7,181
<b>Total</b>	<b>363,409</b>	<b>371,368</b>	<b>12,242</b>	<b>9,904</b>

The Group has also issued guarantees on behalf of equity-accounted investees which are disclosed in note 33(a).

## 25. Related party transactions (continued)

### Compensation of key management personnel

The remuneration of directors and other key members of the management during the year were as follows:

	2017	2016
	USD'000	USD'000
Short-term benefits and bonus	13,658	13,521
Post-retirement benefits	451	1,411
<b>Total</b>	<b>14,109</b>	<b>14,932</b>

## 26. Financial risk management

### Overview

The Group has exposure to the following risks from its use of financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has exposure to the following risks arising from financial instruments:

#### a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

#### *Trade and other receivables*

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

## 26. Financial risk management (continued)

### a) Credit risk (continued)

#### *Other financial assets*

Credit risk arising from other financial assets of the Group comprises cash and cash equivalents and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

#### *Financial guarantees*

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries, where there is a commercial rationale to do so. Guarantees may also be provided to equity-accounted investees in very limited circumstances for the Group's share of obligation. The provision of guarantees always requires the approval of senior management.

#### i. *Exposure to credit risk*

The carrying amount of financial assets represents the maximum credit exposure as at 31 December:

	2017	2016
	USD'000	USD'000
Other investments	72,759	60,644
Derivative assets	8,952	-
Trade and other receivables excluding prepayments	1,218,037	1,095,895
Cash and cash equivalents	1,483,679	1,299,391
<b>Total</b>	<b>2,783,427</b>	<b>2,455,930</b>

The maximum exposure to credit risk for trade receivables (net) at the reporting date by operating segments are as follows:

	2017	2016
	USD'000	USD'000
Asia Pacific and Indian subcontinent	45,369	50,169
Australia and Americas	97,593	62,303
Middle East, Europe and Africa	311,090	297,862
<b>Total</b>	<b>454,052</b>	<b>410,334</b>



## 26. Financial risk management (continued)

### a) Credit risk (continued)

#### i. Exposure to credit risk (continued)

The ageing of trade receivables (net) at the reporting date was:

	2017	2016
	USD'000	USD'000
Neither past due nor impaired on the reporting date:	247,923	221,685
<i>Past due on the reporting date</i>		
Past due 0-30 days	135,340	107,788
Past due 31-60 days	44,286	42,957
Past due 61-90 days	13,430	22,880
Past due > 90 days	13,073	15,024
<b>Total</b>	<b>454,052</b>	<b>410,334</b>

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2017	2016
	USD'000	USD'000
As at 1 January	108,435	67,032
Acquired through business combinations	976	340
Provision (reversed)/ recognised during the year	(2,726)	41,063
<b>As at 31 December</b>	<b>106,685</b>	<b>108,435</b>

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Trade receivables with the top ten customers represent 54% (2016: 59%) of the trade receivables.

### b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase.

26. **Financial risk management (continued)**

b) **Liquidity risk (continued)**

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Less than 1 year</b>	<b>1 – 2 years</b>	<b>2 – 5 years</b>	<b>More than 5 years</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
<i>Non derivative financial liabilities</i>						2016
Issued bonds	4,524,844	(7,551,859)	(642,102)	(230,727)	(1,703,519)	(4,975,511)
Convertible bonds	803,075	(1,131,250)	(17,500)	(17,500)	(52,500)	(1,043,750)
Bank loans	2,255,558	(3,186,388)	(452,062)	(397,504)	(648,790)	(1,688,032)
Loans from non-controlling shareholders	13,233	(13,233)	(13,233)	-	-	-
Finance lease liabilities	21,549	(28,728)	(8,551)	(6,227)	(4,311)	(9,639)
Trade and other payables	1,587,252	(1,587,543)	(1,495,597)	(55,064)	(22,562)	(14,320)
Financial guarantees and letters of credit*	-	(133,748)	-	-	-	-
<i>Derivative financial liabilities</i>						
Interest rate swaps used for hedging	111,431	(152,685)	(27,804)	(27,400)	(69,377)	(28,104)
Embedded derivative option	173,480	-	-	-	-	-
<b>Total</b>	<b>9,490,422</b>	<b>(13,785,434)</b>	<b>(2,656,849)</b>	<b>(734,422)</b>	<b>(2,501,059)</b>	<b>(7,759,356)</b>

<i>Non derivative financial liabilities</i>						2017
Issued bonds	<b>4,119,001</b>	<b>(6,903,324)</b>	<b>(230,552)</b>	<b>(857,756)</b>	<b>(1,014,968)</b>	<b>(4,800,048)</b>
Convertible bonds	<b>825,412</b>	<b>(1,113,750)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(52,500)</b>	<b>(1,026,250)</b>
Bank loans	<b>2,609,656</b>	<b>(3,977,590)</b>	<b>(400,133)</b>	<b>(198,386)</b>	<b>(645,307)</b>	<b>(2,733,764)</b>
Loans from non-controlling shareholders	<b>151,134</b>	<b>(151,134)</b>	<b>(151,134)</b>	-	-	-
Finance lease liabilities	<b>33,775</b>	<b>(41,794)</b>	<b>(11,437)</b>	<b>(7,344)</b>	<b>(15,441)</b>	<b>(7,572)</b>
Trade and other payables	<b>1,706,464</b>	<b>(1,711,148)</b>	<b>(1,589,903)</b>	<b>(26,387)</b>	<b>(30,119)</b>	<b>(64,739)</b>
Financial guarantees and letters of credit*	-	<b>(152,315)</b>	-	-	-	-
<i>Derivative financial liabilities</i>						
Interest rate swaps used for hedging	<b>89,453</b>	<b>(124,302)</b>	<b>(26,180)</b>	<b>(25,528)</b>	<b>(60,886)</b>	<b>(11,708)</b>
Embedded derivative option	<b>250,513</b>	-	-	-	-	-
<b>Total</b>	<b>9,785,408</b>	<b>(14,175,357)</b>	<b>(2,426,839)</b>	<b>(1,132,901)</b>	<b>(1,819,221)</b>	<b>(8,644,081)</b>

\*Refer to note 33 for further details.

## **26. Financial risk management (continued)**

### **c) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

#### **i. Currency risk**

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE Dirhams) is approximately 64.4% (2016: 63.5%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated at each year end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using foreign currency forward exchange contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using foreign currency forward exchange contracts in order to fix the cost when converted to the functional currency. The Group classifies its foreign currency forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

26. **Financial risk management (continued)**

c) **Market risk (continued)**

i. **Currency risk (continued)**

**Exposure to currency risk**

The Group's financial instruments in different currencies were as follows:

	USD*	GBP	EUR	AUD	INR	CAD	KRW	Others	2016 Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	855,526	122,232	114,908	14,059	49,519	33,589	69,918	39,640	1,299,391
Trade receivables	226,038	39,131	46,093	4,960	14,248	42,025	31,812	6,027	410,334
Secured bank loans and debenture stock	(228,192)	(791,195)	(34,802)	-	-	(337,626)	-	(48,040)	(1,439,855)
Unsecured bank loans and loan stock	(734,308)	-	-	-	(81,395)	-	-	-	(815,703)
Loan from non-controlling shareholders	(2,083)	-	(11,150)	-	-	-	-	-	(13,233)
Unsecured bonds	(5,327,919)	-	-	-	-	-	-	-	(5,327,919)
Finance lease liabilities	-	(2,022)	(9,735)	(5,076)	-	(3,487)	-	(1,229)	(21,549)
Trade payables	(81,987)	(15,716)	(27,799)	(2,439)	(19,434)	(4,774)	(9,285)	(8,747)	(170,181)
Net consolidated statement of financial position exposures	(5,292,925)	(647,570)	77,515	11,504	(37,062)	(270,273)	92,445	(12,349)	(6,078,715)

26. **Financial risk management (continued)**

c) **Market risk (continued)**

i. **Currency risk (continued)**

	USD*	GBP	EUR	AUD	INR	CAD	KRW	Others	2017
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	Total
									USD'000
Cash and cash equivalents	881,314	129,348	139,926	16,949	57,143	86,869	112,753	59,377	1,483,679
Trade receivables	207,503	49,201	72,528	4,589	13,635	61,282	27,629	17,685	454,052
Secured bank loans and debenture stock	(396,959)	(867,370)	(28,430)	-	-	(436,840)	-	(305,117)	(2,034,716)
Unsecured bank loans and loan stock	(475,907)	-	(242)	-	(98,791)	-	-	-	(574,940)
Loan from non-controlling shareholders	(1,491)	-	(21,399)	-	-	(128,244)	-	-	(151,134)
Unsecured bonds	(4,944,413)	-	-	-	-	-	-	-	(4,944,413)
Finance lease liabilities	(19,335)	(1,213)	(8,109)	(1,568)	-	(3,550)	-	-	(33,775)
Trade payables	(68,794)	(15,558)	(45,308)	(5,203)	(14,600)	(7,413)	(13,519)	(27,551)	(197,946)
<b>Net consolidated statement of financial position exposures</b>	<b>(4,818,082)</b>	<b>(705,592)</b>	<b>108,966</b>	<b>14,767</b>	<b>(42,613)</b>	<b>(427,896)</b>	<b>126,863</b>	<b>(255,606)</b>	<b>(5,999,193)</b>

\* The functional currency of the Company is UAE Dirham. UAE Dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

26. **Financial risk management (continued)**

c) **Market risk (continued)**

i. *Currency risk (continued)*

**Sensitivity analysis**

A 10 percent strengthening of the USD against the following currencies at 31 December would have increased/ (decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group has its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	2017	2016	2017	2016
	USD'000	USD'000	USD'000	USD'000
GBP	4,657	3,745	(78,399)	(71,952)
EUR	7	46	12,107	8,614
AUD	(2)	(5)	1,641	1,278
INR	644	195	(4,735)	4,118
CAD	1,396	489	(47,544)	(30,030)
KRW	(139)	-	14,096	10,272

A 10 percent weakening of the USD against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

ii. *Interest rate risk*

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/ floating interest rate and bank deposits.

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

At 31 December 2017, after taking into account the effect of interest rate swaps, approximately 91% (2016: 94%) of the Group's borrowings are at a fixed rate of interest.

**Profile**

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amounts	
	2017	2016
	USD'000	USD'000
<b>Fixed rate instruments</b>		
Financial liabilities (loans and borrowings)	(5,410,891)	(5,570,832)
Interest rate swaps hedging floating rate debt	(1,612,491)	(1,611,585)
<b>Total</b>	<b>(7,023,382)</b>	<b>(7,182,417)</b>
<b>Variable rate instruments</b>		
Financial assets (short term deposits)	832,004	680,140
Financial liabilities (loans and borrowings)	(2,328,087)	(2,047,427)
Interest rate swaps hedging floating rate debt	1,612,491	1,611,585
<b>Total</b>	<b>116,408</b>	<b>244,298</b>

26. **Financial risk management (continued)**

c) **Market risk (continued)**

ii. **Interest rate risk (continued)**

**Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points (“bp”) in interest rates at the reporting date would have increased/ (decreased) consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	USD'000	USD'000	USD'000	USD'000
<b>2017</b>				
Variable rate instruments	<b>1,164</b>	<b>(1,164)</b>	-	-
Interest rate swaps	<b>(1,300)</b>	<b>1,300</b>	<b>14,825</b>	<b>(14,825)</b>
<b>Cash flow sensitivity (net)</b>	<b>(136)</b>	<b>136</b>	<b>14,825</b>	<b>(14,825)</b>
<b>2016</b>				
Variable rate instruments	2,443	(2,443)	-	-
Interest rate swaps	-	-	16,116	(16,116)
<b>Cash flow sensitivity (net)</b>	<b>2,443</b>	<b>(2,443)</b>	<b>16,116</b>	<b>(16,116)</b>

## 26. Financial risk management (continued)

### d) Fair value

#### Fair value versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position are as follows:

		2017	2017	2016	2016
	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
		USD'000	USD'000	USD'000	USD'000
<b>Assets carried at fair value</b>					
Available-for-sale financial assets	2	70,452	70,452	57,339	57,339
Financial assets at fair value through profit or loss	2	2,307	2,307	3,305	3,305
Interest rate swaps used for hedging	2	8,952	8,952	-	-
<b>Assets carried at amortised cost</b>					
Trade and other receivables**		1,218,037	-	1,095,895	-
Cash and cash equivalents*		1,483,679	-	1,299,391	-
<b>Liabilities carried at fair value</b>					
Interest rate swaps used for hedging	2	(89,453)	(89,453)	(111,431)	(111,431)
Embedded derivative option	2	(250,513)	(250,513)	(173,480)	(173,480)
<b>Liabilities carried at amortised cost</b>					
Issued bonds	1	(4,119,001)	(4,618,701)	(4,524,844)	(4,783,315)
Convertible bonds	2	(825,412)	(796,170)	(803,075)	(814,013)
Bank loans*		(2,609,656)	-	(2,255,558)	-
Loans from non-controlling shareholders*		(151,134)	-	(13,233)	-
Finance lease liabilities*		(33,775)	-	(21,549)	-
Trade and other payables**		(1,706,464)	-	(1,587,252)	-

#### Fair value hierarchy

The table above analyses assets and liabilities that require or permits fair value measurements or disclosure about fair value measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

\* These financial assets and liabilities carry a variable rate of interest and hence, the fair values reported approximate carrying values.

\*\* These financial assets and liabilities have short term maturity and thus, the fair values reported approximate carrying values.

The fair value of foreign currency forward exchange contracts and interest rate swaps is based on the bank quotes at the reporting dates. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

The fair value of trade and other receivables and trade and other payables approximates to their carrying values.

Embedded derivative option liability of convertible bond is fair valued based on a valuation model with market assumptions. The fair value of the host liability component in the convertible bond is arrived at after deducting the fair value of the embedded derivative option liability from the stock exchange quoted closing bid price of convertible bond as at the reporting date.



## 26. Financial risk management (continued)

### d) Fair value (continued)

The fair value for quoted bonds is based on their market price (including unpaid interest) as at the reporting date. Other loans include term loans and finance leases. These are largely at variable interest rates and therefore, the carrying value normally equates to the fair value.

## 27. Share capital

The share capital of the Company as at 31 December was as follows:

	2017	2016
	USD'000	USD'000
<b>Authorised</b>		
1,250,000,000 of USD 2.00 each	2,500,000	2,500,000
<b>Issued and fully paid</b>		
830,000,000 of USD 2.00 each	1,660,000	1,660,000

## 28. Reserves

### Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in circumstances as stipulated by the law.

### Shareholders' reserve

Shareholders' reserve forms part of the distributable reserves of the Group.

### Other reserves

The following table shows a breakdown of 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Hedging and other reserves	Actuarial reserve	Total other reserves
	USD'000	USD'000	USD'000
Balance as at 1 January 2016	(83,320)	(411,541)	(494,861)
Other comprehensive income, net of tax	(11,815)	(199,288)	(211,103)
Balance as at 31 December 2016	(95,135)	(610,829)	(705,964)
<b>Balance as at 1 January 2017</b>	<b>(95,135)</b>	<b>(610,829)</b>	<b>(705,964)</b>
Other comprehensive income, net of tax	41,697	(895)	40,802
Pension obligation borne by Parent Company	91,281	-	91,281
<b>Balance as at 31 December 2017</b>	<b>37,843</b>	<b>(611,724)</b>	<b>(573,881)</b>

### Hedging and other reserves

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred.

The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve also includes the unrealised fair value changes on available-for-sale investments.

### Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in the consolidated statement of other comprehensive income.

## 28. Reserves (continued)

### Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It mainly includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

## 29. Interest bearing loans and borrowings

	2017	2016
	USD'000	USD'000
Issued bonds*	4,119,001	4,524,844
Convertible bonds**	825,412	803,075
Bank loans	2,609,656	2,255,558
Loans from non-controlling shareholders	151,134	13,233
Finance lease liabilities	33,775	21,549
	<b>7,738,978</b>	7,618,259
<i>of which:</i>		
Classified as non-current	7,437,270	6,874,777
Classified as current	301,708	743,482
<i>of which:</i>		
Secured interest bearing loans and borrowings	2,068,490	1,461,405
Unsecured interest bearing loans and borrowings	5,670,488	6,156,854

The below table provides movement of interest bearing loans and borrowings:

	2017	2016
	USD'000	USD'000
Balance at 1 January	7,618,259	7,670,278
<b>Cash flow items</b>		
Acquired through business combinations	615,861	-
Additional borrowings during the year	290,361	1,262,089
Proceeds from issue of bonds (2023 Sukuk)	-	1,200,000
Repayment of borrowings during the year	(504,809)	(1,287,412)
Redemption of issued bonds (2017 Sukuk)	(387,300)	(1,174,455)
Transaction cost paid on issuance of bonds (2023 Sukuk)	-	(10,505)
<b>Other non-cash items</b>		
Interest accretion on convertible bonds	21,066	20,110
Transaction cost on convertible bonds amortised during the year	1,271	1,166
Fair value adjustments and transaction cost on issued bonds amortised during the year	(18,543)	(20,280)
Translation adjustments	102,812	(42,732)
Balance at 31 December	<b>7,738,978</b>	7,618,259

\* On 3 July 2017, the Group settled the remaining USD 387.3 million 6.25 percent 2017 Sukuk Trust Certificates.

\*\* These 10 year USD 1 billion unsecured convertible bonds have an option of converting into 36.85 million ordinary shares of DP World Limited. These bonds are currently listed on the Frankfurt Stock Exchange with a coupon rate of 1.75% per annum. These bonds include an investor put option which can be exercised at par in June 2018 (Year 4) and in June 2021 (Year 7). There is also an issuer call option which can be exercised on or after July 2017 (Year 3), subject to a 130% trigger on the conversion price of USD 27.14.

## 29. Interest bearing loans and borrowings (continued)

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 12 and note 14). The deposits under lien amounting to USD 16,150 thousand (2016: USD 65,522 thousand) are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 18).

At 31 December 2017, the undrawn committed borrowing facilities of USD 2,055,686 thousand (2016: USD 2,101,827 thousand) were available to the Group, in respect of which all conditions precedent had been met.

Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 26.

## 30. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve and translation reserve. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The key performance ratios as at 31 December are as follows:

	2017	2016
	USD'000	USD'000
Total interest-bearing loans and borrowings (refer to note 29)	7,738,978	7,618,259
Less: cash and cash equivalents (refer to note 18)	(1,483,679)	(1,299,391)
Total net debt	6,255,299	6,318,868
Total equity	11,625,362	9,519,685
Adjusted EBITDA (refer to note 4)	2,469,034	2,263,077
Net finance cost before separately disclosed items	329,870	338,110
Net debt/ equity	0.54	0.66
Net debt/ adjusted EBITDA	2.53	2.79
Interest cover before separately disclosed items (Adjusted EBITDA/ net finance cost before separately disclosed items)	7.48	6.69

### 31. Operating leases

#### Operating lease commitments – Group as a lessee

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2017	2016
	USD'000	USD'000
Within one year	326,223	305,993
Between one to five years	1,273,277	1,168,634
Between five to ten years	1,195,744	1,218,846
Between ten to twenty years	1,833,876	1,746,874
Between twenty to thirty years	1,396,953	1,294,886
Between thirty to fifty years	1,134,517	1,143,660
Between fifty to seventy years	914,908	1,027,867
More than seventy years	800,551	846,290
<b>Total</b>	<b>8,876,049</b>	<b>8,753,050</b>

The above operating leases (Group as a lessee) mainly consist of terminal operating leases arising out of concession arrangements which are long term in nature. In addition, there are also leases of plant, equipment and vehicles included above.

#### Operating lease commitments – Group as a lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2017	2016
	USD'000	USD'000
Within one year	360,983	335,327
Between one to five years	816,391	696,737
More than five years	950,846	791,775
<b>Total</b>	<b>2,128,220</b>	<b>1,823,839</b>

The above operating leases (Group as a lessor) mainly consist of commercial properties leased consisting of land, office accommodation, warehouses and staff accommodation. Besides these, certain property, plant and equipment are also leased out by the Group. The leases contain renewal options for additional lease periods and at rental rates based on negotiations or prevailing market rates.

### 32. Capital commitments

	2017	2016
	USD'000	USD'000
Estimated capital expenditure contracted for as at 31 December	661,305	732,378

### 33. Contingencies

a) The Group has the following contingent liabilities arising in the ordinary course of business at 31 December:

	2017	2016
	USD'000	USD'000
Performance guarantees	86,920	83,276
Payment guarantees	36,533	23,000
Letters of credit	3,025	2,395
Guarantees issued on behalf of equity-accounted investees	25,837	25,077
<b>Total</b>	<b>152,315</b>	<b>133,748</b>

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet those targets.

**33. Contingencies (continued)**

- b) Chennai Port Trust (“CPT”) had raised a demand for an amount of USD 18,709 thousand (2016: 17,609 thousand), from Chennai Container Terminal Limited (“CCTL”), a subsidiary of the Company, on the basis that CCTL had failed to fulfil its obligations in respect of non-transshipment containers for a period of four consecutive years from 1 December 2003. CCTL had subsequently paid USD 9,996 thousand (2016: USD 9,408 thousand) under dispute in 2008. CCTL had initiated arbitration proceedings against CPT in this regard. The arbitral tribunal passed its award on November 26, 2012 ruling in favour of CCTL. However, CPT appealed against this order, which was upheld by Madras High Court on 8 January 2014 and accordingly a provision has been recognised against the above receivable. CCTL lodged an appeal before the Division Bench of Madras High Court along with a stay petition on 31 January 2014. The Appeal was taken up for hearing and admitted on 3 February 2014. CPT also made a statement before the Court that no further action would be taken by CPT against CCTL. The Court has admitted the matter and is pending for final hearing and disposal before the Division Bench of Madras High Court. During 2017, CPT raised further demands amounting to USD 35,615 thousand towards its obligations in respect of non-transshipment containers for the years 2008 to 2014. With this the cumulative demand as of 31 December 2017 amounts to USD 54,324 thousand. The Group is confident that the case will be in favour of CCTL.

**34. Subsequent events**

- a) On 11 January 2018, the Group acquired Maritime World LLC, the 100% owner of Dubai Maritime City (DMC), for a purchase consideration of USD 180,000 thousand and 100% of Drydocks World LLC (Drydocks) by means of a capital injection of USD 225,000 thousand from the ultimate parent company, Dubai World Corporation.
- b) On 22 February 2018, the Government of Djibouti illegally seized control of Doraleh Container Terminal S.A. The Group has commenced arbitration proceedings before the London Court of International Arbitration to protect its rights, or to secure damages and compensation for breach or expropriation.

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