



**OFFERING OF SECURITIES  
MODULE  
Appendix OFS-5**

**Prospectus for Structured Notes**

## APPENDIX 5

### INFORMATION AND PARTICULARS TO BE INCLUDED UNDER ARTICLE 81 OF THE CBB LAW IN A PROSPECTUS FOR OFFERING OF STRUCTURED NOTES, WHETHER AN APPLICATION HAS BEEN OR WILL BE MADE TO LIST FOR QUOTATION ON THE LICENSED EXCHANGE OR NOT.

#### SECTION 1

##### *Front Cover Page*

On the front cover page of the Prospectus the following particulars shall be provided:

1. The date of registration of the Prospectus, the supplementary Prospectus, or the replacement Prospectus;
2. The following statements:
  - (i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional advisor.” and;
  - (ii) “A copy of this Prospectus has been submitted and registered by the Central Bank of Bahrain (“the CBB”). Registration of the Prospectus by the CBB does not imply that the CBB Law, or any other legal or regulatory requirements, has been complied with. The CBB has not, in any way, considered the merits of the Structured Notes being offered for investment.”;
3. A statement to the effect that an application has been or will be made to a licensed exchange to list for quotation, or quote the Structured Notes on that exchange and the name of such licensed exchange, otherwise give an appropriate negative statement;
4. A statement that no Structured Notes shall be allotted or allocated on the basis of the Prospectus later than 6 months after the date of registration of the Prospectus by the CBB;
5. The name and the registration number of the issuer in respect of which the Structured Notes are being offered:
  - (i) The maturity date of the structured notes being offered;
  - (ii) If early withdrawal is permitted, a statement in bold to the effect that Structured Notes which are redeemed before their maturity date will be subject to unwinding or other transaction costs, and that the amount received by investors may be lower than the initial amount invested;

6. The name and logo of the appointed advisors to the offer shall be provided:
- (i) Type, nature and amount of Sukuk or asset-backed securities;
  - (ii) The maturity date of the Sukuk or asset-backed securities being offered;
  - (iii) The obligor or originator;
  - (iv) The sponsor;
  - (v) The guarantor (if any);
  - (vi) The issue manager;
  - (vii) Underwriter, if any;
  - (viii) The legal advisor;
  - (ix) The financial advisor;
  - (x) The receiving bank;
  - (xi) The paying agent;
  - (xii) The depositor, custody and/or registrar;
  - (xiii) The servicer;
  - (xiv) Rating agency (if any).
7. Provide within the box frame, the following standard prominent and legible disclaimer statement:

**THE CENTRAL BANK OF BAHRAIN AND THE [\*NAME OF THE LICENSED EXCHANGE] ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS DOCUMENT AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT.**

\* For the listed offers or planned to be listed only

## SECTION 2

### *Inside Cover Page*

8. (a) Provide within a box frame on the inside cover page the following standard prominent and legible declaration and responsibility statement:

**THE DIRECTORS OF THE COMPANY, WHOSE NAMES APPEAR HEREIN, ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THE DOCUMENT.**

Director's Name:

Signature

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

8. (b) The abovementioned standard responsibility statement shall be duly signed by each of the issuer's Board of Directors. In cases where one or more of the directors cannot provide their signature on such statement, the issuer is required to provide to the CBB and disclose hereunder the actual reasons and justification.

## SECTION 3

### *Important Notice*

8. This Base Prospectus comprises a Base Prospectus for the purposes of Article 81 of the CBB Law.

As at the date of this Base Prospectus, the issuer is making public offers of Notes [name of countries]. Any investor in any such public offers should note that, if it has indicated acceptance of any such offer prior to the date of publication of this Base Prospectus, it has the right, within two working days of the date of such publication, to withdraw such acceptance.

The issuer and the guarantor (the responsible persons) accept responsibility for the information contained in this Base Prospectus, subject as provided below. To the best of the knowledge of the issuer and guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The applicable final terms will (if applicable) specify the nature of the responsibility taken by the issuer and the guarantor for the information relating to the underlying asset, index, or other item(s) to which the securities relate (the underlying assets and each an underlying asset) which is contained in such final terms. However, unless otherwise expressly stated in the applicable final terms, any information contained therein relating to the underlying asset(s) will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such underlying asset(s). Unless otherwise expressly stated in the applicable final terms, the issuer and the guarantor accepts responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) and, as far as the issuer and guarantor is aware and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such underlying asset(s), no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus should be read in connection with all documents which are deemed to be incorporated by reference (see “Documents Incorporated by Reference”). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of the Base Prospectus.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of any securities and, if given or made, such information or representation must not be relied upon as having been authorised by the issuer, the guarantor or any of the dealers. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been any change in the affairs of the issuer and/or guarantor since the date hereof or the date upon which this document has been most recently amended or supplemented, or that there has been any adverse change in the financial position of the issuer and/or guarantor since the date hereof or the date upon which this document has been most recently amended or supplemented, or that any other information supplied in connection with the programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the issuer, guarantor or the dealers to subscribe for, or purchase, any securities.

The distribution of this Base Prospectus and the offering or sale of securities in certain jurisdictions may be restricted by law. None of the issuer, guarantor and the dealers represent that this Base Prospectus may be lawfully distributed, or that any securities 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 assumes any responsibility for facilitating any such distribution or offering. Accordingly, no securities 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 comes are required by the issuer, guarantor and the dealers to inform themselves about and to observe any such restriction.

Further restrictions on the offering, sale and distribution of securities and this document are set out under the heading “Plan of Distribution” below.

The price and amount or number, as the case may be, of securities to be issued under the programme will be determined by the issuer and the relevant dealer at the time of issue in accordance with prevailing market conditions.

The dealers have not separately verified the information contained in this Base Prospectus. None of the dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus.

Neither this Base Prospectus nor any other financial statements or other information supplied in connection with the programme or any securities are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or a statement of opinion, or a report of either of those things, by the issuer, the guarantor or any of the dealers that any recipient of this Base Prospectus, or any other financial statements or any other information supplied in connection with the programme or any securities should purchase any securities. Each potential purchaser of any securities should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of any securities should be based upon such investigation as it deems necessary. Each potential purchaser is authorised to use this Base Prospectus solely for the purpose of considering the purchase of securities described in this Base Prospectus; any other usage of this Base Prospectus is unauthorised. None of the dealers undertakes to review the financial condition or affairs of the issuer or the guarantor during the life of the arrangements contemplated by this Base Prospectus, nor to advise any investor or potential investor in any securities of any information coming to the attention of any of the dealers.

In connection with any series (as defined below) of Notes, one of the dealers may act as a stabilising manager (the Stabilising Manager). The identity of the stabilising manager, if any, will be disclosed in the applicable final terms.

In connection with the issuer of any tranche of Notes, the dealer or dealers (if any) named as the stabilising manager(s) (or persons acting on behalf of any stabilising manager(s)) in the applicable final terms may over-allot Notes or effect transactions (outside [name of country] and on a market operated outside [name of country]) with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilising manager(s) (or persons acting on behalf of a stabilising manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant tranche of Notes and 60 days after the date of the allotment of the relevant tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or person(s) acting on behalf of any stabilising manager(s) in accordance with all applicable laws and rules.

Certificates create options which are either exercisable by the relevant holder or, if not exercised will be automatically exercised as provided herein. Except in the case of automatically exercised cash settled certificates, there is no obligation upon the issuer to pay any amount or deliver any assets to any holder of a certificate, unless the relevant holder duly exercises such certificate or such certificates are automatically exercised and an exercise Notice is duly delivered. The certificates will be exercised or will be exercisable in the manner set forth herein and in the applicable final terms.

In any country that has implemented the Prospectus requirement, this communication is only addressed to and is only directed at qualified investors in that country.

For the purposes of this representation, the expression an “offer” in relation to any securities in any country means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that country by any measure implementing the Prospectus requirement in that country.

Under [name of the issue] or the programme described in this Base Prospectus, [the issuer] may from time-to-time issue Notes (the Notes) and certificates (the Certificates and, together with the Notes, the securities), subject to compliance with all laws, rules and regulations. The aggregate principal amount of Notes outstanding will not at any time exceed (amount of the issue and currency or the equivalent in other currencies), subject to any increase described herein. The payment and delivery of all amounts due in respect of the securities will be unconditionally and irrevocably guaranteed by the [the guarantor].

Each of the issuer and guarantor has a right of substitution as set out in the Terms and Conditions of the securities set out herein.

Securities may be issued on a continuing basis to the dealer specified under the “Summary of the Programme” and any additional dealer appointed under the programme from time-to-time by the issuer (each a dealer and together the dealers) which appointment may be for a specific issue or on an ongoing basis. In relation to each issue of securities the dealer(s) will be specified in the applicable final terms. However, the issuer reserves the right to sell securities directly on its own behalf to other entities and to offer securities in specified jurisdictions directly to the public through distributors, in accordance with all applicable rules and regulations. The securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the issuer or the relevant dealer. The certificates may also be sold by the issuer through the dealer(s), acting as agent of the issuer.

**AN ISSUE OF SECURITIES MAY BE OF A SPECIALIST NATURE AND SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS.**

Prospective purchases of securities should ensure that they understand the nature of the relevant securities and the extent of their exposure to risks and that they consider the suitability of the relevant securities as an investment in light of their own circumstances and financial condition. Securities may involve a high degree of risk, including in the case of Notes, the principal not being protected or, in the case of certificates, the risk of their expiring worthless. Potential investors may sustain a total loss of the purchase price of their securities. See “Risk Factors” set out herein.



Any person (an investor) intending to acquire or acquiring any securities from any person (an offeror) should be aware that, in the context of an offer to the public as defined in the Prospectus requirement, the issuer may be responsible to the investor for the Base Prospectus, only if the issuer is acting in association with that offeror to make the offer to the investor. Each investor should therefore verify with the offeror whether or not the offeror is acting in association with the issuer. If the offeror is not acting in association with the issuer, the investor should check with the offeror whether anyone is responsible for the Base Prospectus for the purposes of the Prospectus requirement as implemented by the national legislation of each state in the context of the offer to the public, and if so, who that person is. If the investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents it should take legal advice.

9. The following statements or similar or equivalent statements shall be provided underneath this Section:

This Prospectus (or Private Placement Memorandum (PPM) in respect of Private Placement offerings) both of them hereinafter referred to as the “Prospectus” is delivered on behalf of [issuer’s name], by the Lead Manager (or Principal Advisor), referred to in this Prospectus as the “Lead Manager”.

**[For PPM]**, this Private Placement Memorandum is being submitted to selected accredited investors on a confidential basis, so that they may consider the opportunity to purchase shares (name of the issuer). This document is the lawful property (of the name of the issuer) and may not be distributed or copied, in whole or in part, nor may any of its contents be disclosed without prior written permission from (the name of the issuer).

No person has been authorised to make any representations or give any information with respect to [issuer’s name] or the public offering (or Private Offering) in respect of Private Placement, both of them hereinafter referred to as “the offering” except the information contained in this Prospectus. Any representation or information not contained in this Prospectus with respect to [issuer’s name] or the offering must not be relied upon as having been authorised by the directors of [issuer’s name], or the lead manager. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the debt securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Prospectus includes details given in compliance with the CBB Law, rules and regulations. The directors, whose names appear in this Prospectus, collectively and individually confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete and that there are no other facts or omissions which, if disclosed, would render any statement in this Prospectus materially misleading. Substantial portions of the market and industry information in this Prospectus are derived from the management analysis as well as external sources. The market and industry information contained in this Prospectus has not been independently verified and no representation is made with respect to the accuracy or completeness of any of this information.

While the [issuer's name] and its directors have made all reasonable enquiries as to the accuracy and completeness of the information contained in this Prospectus, such information is subject to change. In particular, the actual financial position of the [issuer's name] and the value of the Sukuk or asset-backed securities (separately or collectively will be referred to hereinafter as securities) may be adversely affected by future developments in inflation, interest rates, taxation, or other economic, political and other factors, over which the [issuer's name] and its directors have no control. Neither the delivery of this Prospectus, nor any oral, written, or printed communication in relation to the debt securities offered is intended to be, or should be construed as or relied upon in any way, as a promise or representation as to future earnings, results or events.

In addition to the lead manager, the directors have appointed [names of other advisors] to carry out the financial due diligence and legal due diligence of the [issuer's name].

None of the directors, their respective officers, agents, employees, the lead managers, and other advisors assume any liability for any representation or warranty (expressed or implied) enclosed within, or omitted from, this Prospectus or any other written or verbal information transmitted to the recipient (or any of their advisors), in the course of the recipient's assessment of any proposed investment.

Each applicant (or accredited investor for Private Placement Offering) both of them hereafter referred to as the “Applicant” may, prior to the submission of its application form, ask questions of and seek clarification from the lead manager concerning the [issuer’s name] and this offering. Answers to such questions and clarifications will be provided by the lead manager to the extent that the lead manager possesses or can acquire the requisite information without unreasonable effort or expense. The contents of this Prospectus should not be treated as investment, tax, or legal advice by an applicant. All applicants should make their own investigation and evaluation of the opportunity to invest in the [issuer’s name], and should seek to consult their own advisors concerning the evaluation of the risks of the investment and its suitability for their individual financial and risk preferences. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice in relation to the offering and for considering the appropriateness of the information contained in this Prospectus with regard to individual objectives, financial situations and needs.

The Prospectus is not to be regarded as a recommendation on the part of the [issuer’s name], the directors or any of their advisors to participate in the offering. Moreover, information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs.

The offering is only being made to, and is only capable of acceptance by, applicants of nationalities fulfilling the subscription application requirements. The distribution of this Prospectus and the sale of debt securities offered in a jurisdiction may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about, and observe all such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of that jurisdiction. This Prospectus does not constitute an offer to sell or issue or to solicit an offer to buy or for the supply of debt securities in any jurisdiction in which such offer or solicitation is unlawful.

The [issuer’s name], the directors, the lead manager and other advisors require recipients of this Prospectus to inform themselves about and observe, all such restrictions. The [issuer’s name] and the directors reserve the right to terminate at any time, the further participation of any party in the offering.

**[In respect of Islamic products or issuers]** the business of [name of issuer or originator] shall at all times be conducted in a manner that complies with Shari’a principles. In the event [name of the issuer or originator] inadvertently derives returns from investments that may comprise an amount which is attributable for Shari’a purposes to impure income, the amount of any return, which is so attributed, will be calculated in accordance with the Shari’a criteria approved by the Shari’a board and donated periodically by [name of the issuer or originator] to charities, with no direct or indirect benefit accruing to [name of the issuer or originator] or any of its shareholders.

The payment of Zakah with respect to the shares shall be the sole responsibility of the investors. [Name of the issuer or originator] shall calculate but not pay Zakah on the investor's investment in [name of the issuer or originator] on any capital appreciation derives therefrom.

### *Forward Looking Statements*

10. Provide the following statements regarding forward looking statements, or any other equivalent statements:

The statements contained in this Prospectus that are not historical facts are "forward-looking statements". The word "plans", "estimates", "believes", "expects", "may", "will", "should", "are expected", "will be", "anticipates" or the negative or other variation of such terms or comparable technology are intended to identify a number of these forward-looking statements.

These forward-looking statements reflect the current views of the [issuer's name] and its directors with respect to prospective events, and are not a guarantee of future performance. Many factors could cause the actual performance, achievements, or results of [issuer's name] to be significantly different from any prospective performance, achievements or results that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other Sections of this Prospectus (see "Investment Considerations and Risk Factors" Section on page ...).

Should any one or more of the risks or uncertainties materialise or any underlying assumptions prove to be inaccurate or incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated or expected. As a result of these and other risks, the forward looking events and circumstances discussed in this Prospectus might not occur in the way [issuer's name] expects, or at all. Applicants should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

**[For public offering only]**, copies of this Prospectus may be obtained from the lead manager, the receiving banks, the underwriters and the registrar.

### *General Risk Statement*

11. A general statement about the risk involved with the investment on the debt securities and the offer shall be provided:

An investment in debt securities involves risk. Prospective investors should consider carefully, together with all other information contained in this Prospectus, the principal risk factors in paragraph 16.2 Section 8 before deciding to invest in debt securities.

Prospective investor should not place undue reliance on any information contained in published news reports, in particular, any financial projections, valuations or other forward-looking information. Prospective investors should not only rely on the information included in this Prospectus and the documents referred to in it or available for inspection to make their investment decision.

Prospective investors should seek professional advice from their relevant advisors regarding their prospective investment in the context of their particular circumstances.

## SECTION 4

### *Applicants Identification and Anti-Money Laundering Requirements*

12. Provide the following statement regarding the applicable laws, rules, regulations and practices related to the requirements of anti-money laundering, combating of financial crimes and verification of the potential subscribers' identity, or similar or equivalent statements.

[Issuer's name], the lead manager and the receiving banks reserve the absolute right to require further verification of the identity of each applicant, or that of the person or entity on whose behalf the applicant is applying for the purchase of debt securities.

Each applicant will provide satisfactory evidence of identity and, if so required, the source of its funds within a reasonable time period determined by [issuer's name]. Pending the provision of such evidence, an application to subscribe for debt securities will be postponed.

An applicant may not need to provide documentation to the receiving bank or lead manager if the applicant is an existing shareholder of the [issuer's name] and has already provided documentation.

If an applicant fails to provide satisfactory evidence within the time specified, or if an applicant provides evidence which is not to the lead manager's satisfaction, the application may be rejected immediately, in which event any money received from the applicant will be returned to the applicant, without any addition and at the risk and expense of the applicant.

In respect of any Bahraini positional investors, the issuer will comply with Bahrain Legislative Decree No. (4) of 2001 with respect to Prohibition and Combating of Money Laundering and Various Ministerial Orders issued there under including, but not limited to, Ministerial Orders No. (7) of 2001 with respect to Institutions Obligation Concerning the Prohibition and Combating of Money Laundering, in addition to complying with Anti Money Laundering and Combating Financial Crime Module of the CBB Rulebook Volume 6.

[Issuer's name] will also comply with international anti-money laundering requirements as existing from time-to-time. Under the above regulatory requirements [issuer's name] may be obliged to report certain information to regulatory agencies.

## SECTION 5

### *Table of Contents*

13. For easy reference, provide separately under this Section, the title and sub-titles of each section of the Base Prospectus, and the corresponding page number for each.

Particulars	Page No:
.....	XXX
.....	XXX
.....	XXX
.....	XXX
.....	XXX

## SECTION 6

### *Glossary of the Defined Terms and Abbreviations*

14. All definitions, abbreviations referred to in the Base Prospectus shall be stipulated in this section.

Terminologies/Abbreviation:

Definition:

.....XXX  
.....XXX  
.....XXX  
.....XXX  
.....XXX



## SECTION 7

### *Resolutions and Approvals*

15. All information including the reference number, date and subject related to the required resolutions, either by the issuer's Board of Directors and shareholders' General Assembly, as well as the required approvals from the authorities, shall be provided in full for each resolution and approval separately, underneath of this Section:
- (a) Indicate the name, nature and date of all the resolutions, authorisations and approvals, by virtue of which the securities have been created and the covering law and competent courts in the event of litigation, or will be, offered.
  - (b) For Public Offering the name, nature and the date of the resolutions, authorisations and approvals, by virtue of which the securities have been or will be listed should also be given.
  - (c) If there are any special arrangements or conditions pursuant to which the offering and listing of securities has been approved, such arrangements or conditions must be presented in the Prospectus.

## SECTION 8

### *Prospectus Summary and Risk Factors*

#### **16.1 Prospectus Summary**

Provide the following information in the Prospectus summary, if applicable:

- (a) State the classes of Structured Notes or the classes thereof being offered and the basic terms of each class being offered, including:
    - (i) The offer price;
    - (ii) The interest rate and the distribution frequency;
    - (iii) The maturity date; and
    - (iv) The settlement or final distribution amount;
  - (b) Identify any events or performance triggers that would alter the basic terms of each class of Structured Notes or the composition of the pool of assets;
  - (c) Identify any optional or mandatory redemption or termination features;
  - (d) Identify any enhancement arrangements for the Structured Notes being offered and briefly describe what protection or support is provided by the enhancement;
  - (e) Summarise how losses not covered by any enhancement arrangements will be allocated to the Structured Notes being offered;
  - (f) Identify the underlying assets and the size and material characteristics of the assets pool;
  - (g) If the underlying assets can be added, removed or substituted, summarise the circumstances under which such actions can occur;
  - (h) If the issuance or sale of any class of Structured Notes being offered is conditioned on the assignment of a rating by one or more rating agencies, state the rating agency and the minimum rating that must be assigned;
- for synthetic Structured Notes transaction provide the following additional information:
- (i) Summarise using diagrammatic representations where possible, how the cash flows generated by the underlying assets and the pool assets will be allocated among the different classes of Structured Notes after deducting fees and expenses, to the extent necessary to understand the payment characteristics of each class of Structured Notes being offered;
  - (j) Identify any events or performance triggers that would alert the flow of funds;
  - (k) Describe the roles of:
    - (i) The sponsor in relation to the synthetic securitisation transaction; and
    - (ii) The servicer, in relation to the servicing of the pool assets and the management of the pool of reference assets; and
  - (l) Summarise the amount of, or the formula for calculating, the fee that the servicer will receive for performing its duties.

## **16.2 Risk Factors**

Disclose in a specific section with the heading “Risk Factors” the risk factors that are specific to the issuer and the Structured Notes being offered, which had materially affected, or could materially affect, directly or indirectly, the value of the pool of assets or the investments held by the holders of the Structured Notes.

For synthetic Structured Notes or securitisation transactions, such information should be provided separately for each class of Structured Notes being offered.

## SECTION 9

### *Offering Statistics and Timetable*

17. Provide key information regarding the conduct of any offering and the identification of important dates relating to that offering and/or listing.

#### **17.1 Offering Statistics**

For each method of offer, state:

- (a) The amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;
- (b) The nature, denomination and where applicable, number of Structured Notes being offered;
- (c) Where the Structured Notes are being offered at a discount or premium, the face value of the Structured Notes being offered and the discount or premium; and
- (d) The currency of the issue and, if the issue is payable in any currency other than the currency of the issue, this fact.

#### **17.2 Method and Timetable**

For all offerings, and separately for each group of targeted potential investors, state the following information to the extent applicable to the offering procedure:

- (a) The offer procedure.
- (b) Where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
- (c) State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted, if the exact time, date or period is not known on the date of the registration of the Prospectus by the CBB.
- (d) Describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened and the duration by which the period may be extended or shortened.
- (e) Describe the manner in which any extension or early closure of the offer period shall be made public.
- (f) State the method and time limits for paying up for the Structured Notes being offered.

- (g) State, where applicable, the methods of and time limits for:
  - (i) The book entry transfers of the Structured Notes being offered in favour of subscribers or purchasers;
  - (ii) The delivery of the documents evidencing title to the Structured Notes being offered (including temporary documents of title, if applicable) to subscribers or purchasers.
- (h) In the case of any pre-emptive purchase rights to subscribe for or purchase the Structured Notes being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.
- (i) Provide a full description of the manner in which results of the allotment or allocation of the Structured Notes being offered are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

## SECTION 10

### *Key Information*

#### **18.1 Issuer**

Provide the following summary information on the issuer:

- (a) The address and telephone and facsimile numbers of the registered or principal office of the issuer;
- (b) How information on the business, operations and financial results and position of the issuer, or where the issuer is part of a group, of the holding company of the group, can be obtained; and
- (c) The nature of operations and previous experience of the issuer in relation to the issue of Structured Notes which are similar to those being offered.

**For synthetic Structured Notes or securitisation transactions such information should be provided separately for each class of Structured Notes being offered.**

- (a) The date of incorporation or constitution of the issuer and, where the constituent documents of the issuer provide a limit as to the duration for which the issuer is to exist, such duration;
- (b) The country of incorporation or constitution, the legal form of the issuer, the legislation under which it operates and the address and telephone and facsimile numbers of its registered or principal office;
- (c) A summary of the permissible activities and any restrictions on such activities under the constituent documents of the issuer, including any restrictions on the ability to issue or invest in additional securities, to enter into arrangements to create exposure to additional underlying assets, to borrow money or to make loans to other persons, and any provisions for the modification of the constituent documents of the issuer;
- (d) Any specific discretionary activities with regard to the administration of the pool assets, the pool of the underlying assets or the Structured Notes, and the person or persons who will be authorised to exercise such discretion;
- (e) Any assets owned or to be owned by the issuer, apart from the pool assets, and any liabilities of the issuer, apart from the Structured Notes and exposure created pursuant to the synthetic securitisation transaction;
- (f) The terms of any management or administration agreement relating to the Structured Notes; and
- (g) The capitalisation of the issuer and the amount and nature of each equity contribution.

## **18.2 Trustee, Fiscal Agent or Representative**

- 18.2.1 Provide the main terms of the document governing the trusteeship or representation of the trustee, fiscal agent or representative for the holders of Structured Notes, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative, which shall include the following:
- (a) Exercise reasonable diligence to ascertain whether or not the pool of the assets and of each of its guarantors are sufficiently protected or not;
  - (b) Satisfy itself that each Prospectus relating to securities does not contain any matter which is inconsistent with the terms of the securities or with the relevant trust deed;
  - (c) Ensure that the issuer or the guarantor complies with the CBB Law, rules and regulations, or its equivalent rules and regulations, under which the Structured Notes are being offered;
  - (d) Exercise reasonable diligence to ascertain whether or not the issuer or guarantor have committed any breach of the covenants, terms and provisions of the CBB Law, rules and regulations and the trust deed;
  - (e) Except where it is satisfied that the breach will not materially prejudice the collateral or the security, if any, of the Structured Notes or the interests of the holders of Structured Notes, shall take all steps and take all such actions as it is empowered to do to cause the issuer or guarantor to remedy any breach of those covenants, terms, provisions and principles;
  - (f) Where the issuer or guarantor fails when so required by the trustee to remedy any breach of the covenants, terms, provisions and principles of the Structured Notes or the trust deed, may place the matter before a meeting of holders of the Structured Notes, submit such proposals for the protection of their interest as the trustee considers necessary or appropriate and obtain the directions of the holders in relation thereto; and
  - (g) Where the issuer or guarantor submits to those holders a compromise or arrangement, shall give to them a statement explaining the effect of the compromise or arrangement and, if it or he thinks fit, recommend to them an appropriate course of action to be taken by them in relation thereto.
- 18.2.2 Where, after due enquiry, the trustee for the holders of the securities at any time is of the opinion that the assets of the obligor or originator and any of its guarantors (in case of asset-backed securities) which are or should be available whether by way of collateral or security or otherwise, are insufficient, or likely to become insufficient, to discharge the principal debt as and when it becomes due, the trustee may apply to the CBB for an order under this Module.

18.2.3 The CBB upon receiving such an application:

- (a) After giving the obligor or originator an opportunity of making representations in relation to that application, by order in writing served on the obligor or originator at its registered office in Bahrain or anywhere else, may impose such restrictions on the activities of the obligor or originator, including restrictions on advertising for deposits or loans and on borrowing by the obligor or originator as the CBB considers necessary for the protection of the interests of the holders of the securities; or
- (b) May, and if the obligor or originator so requires, shall direct the trustee to apply to the court for an order; and the trustee shall apply in accordance with the court order.

18.2.4 Where:

- (a) After due enquiry, the trustee at any time is of the opinion that the assets of the obligor or originator and any of its guarantors (in case of asset-backed securities) which are or should be available, whether by way of collateral or security or otherwise, are insufficient or likely to become insufficient, to discharge the principal debt as and when it becomes due; or
  - (b) The obligor or originator has contravened an order made by the CBB under paragraph 18.2.2 above,
- the trustee may, and where the obligor or originator has requested the trustee to do so, shall apply to the court for an order.

18.2.5 A trustee in making any application to the CBB or to the court shall have regard to the nature and kind of the collateral or the security given when the offer or invitation in respect of the securities was made to the public, and if no security was given shall have regard to the position of the holders of the securities as unsecured creditors of the obligor or originator.

18.2.6 A trustee may rely upon any certificate or report given or statement made by any advocate and solicitor, auditor or officer of the obligor or originator or guarantor (in case of asset-backed securities), if it has reasonable cases for believing that such advocate and solicitor, auditor or office was competent to give or make the certificate, report or statement.

### **18.3 Principal Terms and Conditions**

Provide information on the Structured Notes being offered, including:

- (a) The interest rate for each class of Structured Notes being offered, how such amounts are payable and, if the interest rate is variable, how the rate is determined and how frequently it will be determined;
- (b) The date from which interest accrues and the interest payment dates, where applicable;



- (c) How the principal sum will be paid or the underlying assets will be distributed, including maturity dates, amortisation schedules, distribution dates and factors that will effect the timing or amount of payments or distributions for each class of Structured Notes being offered;
- (d) The final repayment date, any early repayment dates, and whether early repayment is exercisable at the option of the issuer or the holders of the Structured Notes;
- (e) If any class of the Structured Notes being offered includes an optional or mandatory redemption or termination feature:
  - (i) The terms for triggering the redemption or termination process;
  - (ii) The redemption price or the amount of underlying assets to be distributed, or the formula for determining such price or amount; and
  - (iii) The procedures for redemption or termination, including any notices to the holders of Structured Notes;
- (f) The procedures for, and validity period of, claims to payment of interest and repayment of the principal sum or distribution of the underlying assets;
- (g) A description of any subordination or seniority of the issue to other debts of the issuer already incurred or to be incurred;
- (h) Any specific changes to the securities structure or flow of funds that will be triggered upon a default or event of default;
- (i) Any performance triggers or events which will affect the Structured Notes structure;

**for synthetic Structured Notes or securitisation transaction, such information should be provided separately for each class of Structured Notes being offered.**

- (j) A description of how cash is held and invested or used pending distribution to holders of the Structured Notes;
- (k) A summary of the flow of funds, including the payment allocations, the rights in respect of interest and redemption, and the distribution priorities of the different classes of the Structured Notes being offered;
- (l) Any specified changes to the flow of funds that will be triggered upon default or event of default;
- (m) Any performance triggers or events which will affect the flow of funds; and
- (n) Any legislation under which the Structured Notes have been created and the governing law and competent courts in the event of litigation.

## **18.7 Enhancement Arrangements**

18.7.1 Describe the material terms of any enhancement arrangements, including the manner in which the enhancement is designed to ensure the timely payment of moneys in respect of the Structured Notes being offered and any limits on the timing or amount of the enhancement or any conditions that must be met before the enhancement can be accessed.

- 18.7.2 If an entity or a group of entities providing any enhancement for the Structured Notes being offered is liable or contingently liable to provide payments representing 10% or more of the cash flows supporting any class of Structured Notes being offered, provide information on the organisational form and business of each provider of the enhancement.
- 18.7.3 Disclose, to the extent that the issuer is aware or is able to ascertain from information published by each provider of the enhancement, material financial information in respect of the provider, unless the shares or equity interests of the provider are already listed for quotation on a licensed exchange or overseas securities exchange, in which case the name of the exchange on which the shares or equity interests are already listed for quotation shall be disclosed in respect of the provider.

### **18.8 Credit Rating**

If the issuer or the Structured Notes being offered has been given a credit rating by a credit rating agency, disclose the name of the credit rating agency, the credit rating (including whether it is a short-term or long-term credit rating), whether or not the issuer or any of its related parties had paid any fee or benefit of any kind to the credit rating agency in consideration for the credit rating, and the date on which the credit rating was given, such credit rating agency report shall be summarised in the Prospectus and a copy of which shall be made available for inspection by the holder of the Structured Notes.

### **18.9 Other Investment Considerations**

Provide an explanation of any other matter which, in the reasonable opinion of the directors or equivalent persons of the issuer, is likely to be of significance to investors relating to the offer. Any such explanation should be given appropriate prominence depending on the nature of the matter concerned and its significance to investors.

### **18.10 Reports**

- 18.10.1 Describe the method and frequency by which holders of Structured Notes will receive periodic reports on their investment, including information on the occurrence of any event, default or other matter which has or may have an adverse effect on the amount or timing of the principal sum or interest that is or will be payable to holders of the Structured Notes.
- 18.10.2 Where the issuer does not intend to publish annual reports and financial statements, provide a statement of that fact.

**For synthetic Structured Notes or securitisation transaction, such information should be provided separately for each class of Structured Notes being offered.**

#### **18.4 Fees and Expenses**

Provide an itemised list of all fees and expenses (other than expenses incurred in connection with the offer) to be paid or payable out of the cash flows from the underlying assets and pool assets. In itemising fees and expenses, also indicate their general purpose, the party receiving such fees or expenses, the source of funds for such fees or expenses (if different from other fees or expenses or if such fees or expenses are to be paid from a specified portion of the cash flows) and the distribution priority of such expenses.

#### **18.5 Excess Cash Flows**

Disclose whether there is any intention or requirement to accumulate surpluses in the issuer, and if so, for the benefit of whom.

#### **18.6 Multiple Tranches**

18.6.2 If one or more additional tranches of Structured Notes that are backed by the same pool of underlying assets and pool assets have been or may be issued by the issuer, include a prominent statement to that effect and provide information regarding each additional tranche of Structured Notes to the extent material to understanding its effect on the Structured Notes being offered, including:

- (a) The relative priority of the additional tranche of Structured Notes to the Structured Notes being offered in relation to:
  - (i) The pool assets; and
  - (ii) The cash flows from the pool of underlying assets and the pool assets;
- (b) The allocation of cash flows from the pool of underlying assets and the pool assets and any expenses or losses among the various tranches of Structured Notes;
- (c) The terms under which that additional tranche of Structured Notes may be issued and the underlying asset increased or changed;
- (d) A statement as to whether the prior approval of existing holders of the Structured Notes will be sought.

## SECTION 11

### *Underlying Assets*

#### **19.1 Characteristics of Underlying Assets**

- 19.1.1 Provide the following information on the underlying assets;
- (a) The type or types of underlying assets;
  - (b) The material terms and conditions that apply in respect of each type of underlying assets;
  - (c) The method and criteria by which the underlying assets are selected, if applicable;
  - (d) The process for handling delinquencies, losses, bankruptcies and recoveries, if applicable; and
  - (e) Where legal or regulatory provisions may materially affect the performance of the underlying assets or payments or expected payments on the Structured Notes, these provisions and their effect.
- 19.1.2 Describe the material characteristics of the underlying assets for the Structured Notes being offered, including:
- (a) The particulars of each underlying asset or basket of underlying assets;
  - (b) The method of determining the notional value of the underlying assets, including any assumption used;
  - (c) The yield, a summary of the method by which that yield is calculated, the nominal rate of return; and
    - (i) If the nominal rate is a floating rate, how the rate is calculated; or
    - (ii) If several or variable rates are provided for, the conditions for changes in the rate;
  - (d) The credit quality of the underlying assets, if applicable; and
  - (e) The geographic distribution or other concentrations which are material to each type of underlying assets, if applicable.
- 19.1.3 Provide a description of the historic levels of arrears of or rates of default in the payments generated by the underlying assets or other assets of a similar qualify, if applicable.
- 19.1.4 Summarise any significant representations and warranties made concerning the underlying assets by any party and describe briefly the remedies available if those representations and warranties are breached.
- 19.1.5 Describe any material cross-default provisions relating to the underlying assets.

- 19.1.6 Provide information regarding circumstances where underlying assets may be added, substituted or removed, including:
- (a) When and how the underlying assets can be removed or substituted;
  - (b) Any differences in the criteria for additional underlying assets and the criteria used to select the current pool of underlying assets;
  - (c) Any requirements to add or remove the underlying assets and any effects of not meeting those requirements; and
  - (d) How investors will be notified of changes to the pool of underlying assets.
- 19.1.7 In case of synthetic Structured Notes or securitisation transaction, disclose the party with the authority to add, remove or substitute assets from the pool of underlying assets or determine if such assets meet the acquisition of underwriting criteria for additional underlying assets.

## **19.2 Pool Assets**

- 19.2.1 Provide the following information on the pool assets:
- (a) The total value of the pool assets and the method of determining such value, including any assumption used;
  - (b) The yield, a summary of the method by which that yield is calculated, the nominal rate of return and:
    - (i) If the nominal rate is a floating rate, how the rate is calculated; or
    - (ii) If several or variable rates are provided for, the conditions for changes in the rate;
  - (c) The date from which interest or any other payment accrues and the payment dates;
  - (d) The expiry or maturity dates of the pool assets, if applicable;
  - (e) Whether the pool assets are secured or unsecured and, if secured, the type of collateral and the ratio of the value or amount of the pool assets to the value or amount of such security at the time of the transfer of the pool assets to the issuer;
  - (f) Information on the credit quality of the pool assets; and
  - (g) Where legal or regulatory provisions may materially affect the performance of the pool assets, information on these provisions and their effect.

## **19.3 Significant Exposure to Underlying Assets**

- 19.3.1 Where any of the underlying assets relates to the securities or performance of a particular entity which accounts for 10% or more of the value of the pool of underlying assets, provide:
- (a) The name, address, country of incorporation or constitution and nature of business of the particular entity;

- (b) To the extent that the issuer is aware or is able to ascertain from information published by the particular entity, material financial information in respect of the particular entity, unless:
  - (i) The shares or equity interests of the particular entity are already listed for quotation on a licensed exchange or overseas securities exchange; or
  - (ii) The obligations of the particular entity are guaranteed by another entity the shares or equity interests of which are already listed for quotation on a securities exchange or overseas securities exchange,  
in which case, the name of the licensed exchange or overseas securities exchange on which the shares or equity interests of the particular entity or its guarantor entity, as the case may be, are already listed for quotation shall be disclosed;
- (c) Information on the relationship, if any, between:
  - (i) The particular entity and the issuer;
  - (ii) The guarantor entity and the issuer;
- (d) Information on the nature and extent of the exposure of the underlying assets to the particular entity; and
- (e) The material terms of the underlying assets or the agreements involving the underlying assets.

19.3.2 Describe how exposure to the underlying assets and any security interest in favour of the issuer or the holders of the Structured Notes is created, including the material terms of any agreement providing for such creation.

19.3.3 State the amount paid or to be paid for exposure to the underlying assets, and the principles followed or to be followed in determining such amount, and identify the persons making the determination and their relationship, if any, with the issuer, the sponsor and any underwriter to the offer.

19.3.4 If expenses incurred in connection with the selection and acquisition of exposure to the underlying assets are to be paid out of the proceeds from the offer, disclose the amount of such expenses. If such expenses are to be paid to the sponsor, the servicer, the issuer, the underwriter or any associate of the foregoing, separately identify the type and amount of expenses paid to each such party.

## SECTION 12

### *Description of Issuer and Documents Incorporated by Reference*

Provide the following summary information on the issuer:

- (a) The address and telephone and facsimile numbers of the registered or principal office of the issuer;
- (b) How information on the business, operations and financial results and position of the issuer, or where the issuer is part of a group, of the holding company of the group, can be obtained; and
- (c) The nature of operations and previous experience of the issuer in relation to the issue of Structured Notes which are similar to those being offered.
- (d) The date of incorporation or constitution of the issuer and, where the constituent documents of the issuer provide a limit as to the duration for which the issuer is to exist, such duration;
- (e) The country of incorporation or constitution, the legal form of the issuer, the legislation under which it operates and the address and telephone and facsimile numbers of its registered or principal office;
- (f) A summary of the permissible activities and any restrictions on such activities under the constituent documents of the issuer, including any restrictions on the ability to issue or invest in additional securities, to enter into arrangements to create exposure to additional underlying assets, to borrow money or to make loans to other persons, and any provisions for the modification of the constituent documents of the issuer;
- (g) Any specific discretionary activities with regard to the administration of the pool assets, the pool of the underlying assets or the Structured Notes, and the person or persons who will be authorised to exercise such discretion;
- (h) Any assets owned or to be owned by the issuer, apart from the pool assets, and any liabilities of the issuer, apart from the Structured Notes and exposure created pursuant to the synthetic securitisation transaction;
- (i) The terms of any management or administration agreement relating to the Structured Notes;
- (j) The capitalisation of the issuer and the amount and nature of each equity contribution; and
- (k) A brief summary about the corporate governance practices and the compliance levels with the rules and regulations related to the applicable corporate governance, under which the issuer is subject to.

## **Documents Incorporated by Reference**

- 20.2 In addition to the abovementioned information and particulars related to the issuing of the Structured Notes, the following information and documents shall also be incorporated by reference in, and form part of, the Base Prospectus for the purpose of issuing the Structured Notes at the Base Prospectus date, and which are issued after the date of the Base Prospectus during the maturity life of the Structured Notes, namely:
- (a) Audited historical annual financial statements of the issuer, prepared in accordance with IFRS, or any body of accounting standards acceptable to the CBB and audited in accordance with the ISA, or any body of auditing standards acceptable to the CBB, which shall include:
    - (i) Consolidated balance sheet;
    - (ii) Consolidated statement of income and comprehensive statement of income;
    - (iii) Consolidated statement of cash flow;
    - (iv) Consolidated statement of change in shareholders' equity;
    - (v) Notes and accounting policies; and
    - (vi) Litigation and arbitration proceedings;
  - (b) Unaudited, reviewed interim financial statements of the issuer, prepared in accordance with IFRS, or any body of accounting standards acceptable to the CBB and audited in accordance with the ISA, or any body of auditing standards acceptable to the CBB, which shall include:
    - (i) Consolidated balance sheet;
    - (ii) Consolidated statement of income and comprehensive statement of income;
    - (iii) Consolidated statement of cash flow;
    - (iv) Consolidated statement of change in shareholders' equity;
    - (v) Notes and accounting policies; and
    - (vi) Litigation and arbitration proceedings;
- 20.3 The Base Prospectus shall specify the address and/or website in which the documents incorporated by reference will be made available and accessible to the holders of the Structured Notes.

## **Supplements to the Base Prospectus**

The issuer, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Structured Notes, prepare a supplement to the Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Structured Notes.



## SECTION 13

### *Description of Guarantor and Documents Incorporated by Reference*

Provide the following summary information on the guarantor:

- (a) The address and telephone and facsimile numbers of the registered or principal office of the guarantor;
- (b) How information on the business, operations and financial results and position of the guarantor, or where the guarantor is part of a group, of the holding company of the group, can be obtained; and
- (c) The nature of operations and previous experience of the guarantor in relation to the issue of Structured Notes which are similar to those being offered.
- (d) The date of incorporation or constitution of the guarantor and, where the constituent documents of the guarantor provide a limit as to the duration for which the guarantor is to exist, such duration;
- (e) The country of incorporation or constitution, the legal form of the guarantor, the legislation under which it operates and the address and telephone and facsimile numbers of its registered or principal office;
- (f) A summary of the permissible activities and any restrictions on such activities under the constituent documents of the guarantor, including any restrictions on the ability to issue or invest in additional securities, to enter into arrangements to create exposure to additional underlying assets, to borrow money or to make loans to other persons, and any provisions for the modification of the constituent documents of the guarantor;
- (g) Any specific discretionary activities with regard to the administration of the pool assets, the pool of the underlying assets or the Structured Notes, and the person or persons who will be authorised to exercise such discretion;
- (h) Any assets owned or to be owned by the guarantor, apart from the pool assets, and any liabilities of the guarantor, apart from the Structured Notes and exposure created pursuant to the synthetic securitisation transaction;
- (i) The terms of any management or administration agreement relating to the Structured Notes;
- (j) The capitalisation of the guarantor and the amount and nature of each equity contribution; and
- (k) A brief summary about the corporate governance practices and the compliance levels with the rules and regulations related to the applicable corporate governance, under which the issuer is subject to.

## **Documents Incorporated by Reference**

- 20.2 In addition to the abovementioned information and particulars related to the issuing of the Structured Notes, the following information and documents shall also be incorporated by reference in, and form part of, the Base Prospectus for the purpose of issuing the Structured Notes at the Base Prospectus date, and which are issued after the date of the Base Prospectus during the maturity life of the Structured Notes, namely:
- (a) Audited historical annual financial statements of the Guarantor, prepared in accordance with IFRS, or any body of accounting standards acceptable to the CBB and audited in accordance with the ISA, or any body of auditing standards acceptable to the CBB, which shall include:
    - (i) Consolidated balance sheet;
    - (ii) Consolidated statement of income and comprehensive statement of income;
    - (iii) Consolidated statement of cash flow;
    - (iv) Consolidated statement of change in shareholders' equity;
    - (v) Notes and accounting policies; and
    - (vi) Litigation and arbitration proceedings;
  - (b) Unaudited, reviewed interim financial statements of the guarantor, prepared in accordance with IFRS, or any body of accounting standards acceptable to the CBB and audited in accordance with the ISA, or any body of auditing standards acceptable to the CBB, which shall include:
    - (i) Consolidated balance sheet;
    - (ii) Consolidated statement of income and comprehensive statement of income;
    - (iii) Consolidated statement of cash flow;
    - (iv) Consolidated statement of change in shareholders' equity;
    - (v) Notes and accounting policies; and
    - (vi) Litigation and arbitration proceedings;
- 20.3 The Base Prospectus shall specify the address and/or website in which the documents incorporated by reference will be made available and accessible to the holders of the Structured Notes.

## **Supplements to the Base Prospectus**

The guarantor, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Structured Notes, prepare a supplement to the Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Structured Notes.

## SECTION 14

### *Participants*

#### **20.1 Sponsor**

Provide the following information in respect of the sponsor:

- (a) The nature of its operations and principal activities;
- (b) A summary of its synthetic securitisation programme and how long it has been engaged in similar synthetic securitisation transactions; and
- (c) Its role and responsibilities in the synthetic securitisation programme, including its participation in setting-up the Structured Notes' structure and in the management of the pool of underlying assets and the pool assets.

#### **20.2 Depositor**

If the depositor is not the same entity as the sponsor, provide the following information in respect of the depositor:

- (a) Its ownership structure;
- (b) The nature of its operations and principal activities other than that of securitising assets; and
- (c) Any continuing duties that it may have, following the issuance of the synthetic securitisation programme.

#### **20.3 Servicer**

Provide the following information in respect of the servicer:

- (a) The nature of its operations and principal activities, and its experience in and procedures for servicing assets of the type included in the underlying assets and the pool of assets;
- (b) The material items of the servicing agreement and its duties in relation to servicing of the pool assets and the management of the pool of underlying assets;
- (c) The manner in which amounts due in relation to the underlying assets and pool assets will be collected and maintained;
- (d) Its ability to waive or modify any terms, fees, penalties or payments in relation to the underlying assets or pool assets and the effect of any such ability, if material, on the potential cash flows to the issuer;
- (e) If it has custodial responsibility for any or all of the pool assets, the arrangements regarding the safekeeping and preservation of the assets, or if it does not have custodial responsibility for the asset pool, that fact and the identity of the party that has such responsibility;
- (f) Any limitations on its liability under the servicing agreement;

- (g) Its financial condition, if this can have a material impact on one or more aspects of servicing, which in turn can materially affect the performance of the Structured Notes being offered; and
- (h) A summary of the terms regarding the removal, replacement or resignation of the servicer.

#### **20.4 Other Reference Counterparties**

Provide the following information in respect of each person who is directly or indirectly committed by contract or other arrangement to make payments in respect of any underlying asset (referred to in this paragraph as a reference counterparty):

- (a) The name, address, country of incorporation and nature of business of the reference counterparty;
- (b) To the extent that the issuer is aware or is able to ascertain from information published by the reference counterparty, material financial information in respect of the reference counterparty, unless the shares or equity interests of the reference counterparty are already listed for quotation on a licensed exchange or overseas securities exchange, in which case, the name of the exchange on which the shares or equity interests of the reference counterparty are already listed for quotation shall be disclosed;
- (c) The credit quality of the reference counterparty;
- (d) Information on any relationship between the reference counterparty and the issuer or the sponsor;
- (e) Information on the nature of the concentration of the underlying assets with the reference counterparty; and
- (f) The material terms of the agreements with the reference counterparty involving the underlying asset.

## SECTION 15

### *Interests of Key Participants, Experts, Underwriters and Financial Advisors*

#### **21.1 Interests of Experts**

If an expert named in the Prospectus:

- (a) Is employed on a contingent basis by the issuer;
- (b) Has a material interest, whether direct or indirect, in the Structured Notes of the issuer;  
or
- (c) Has a material economic interest, whether direct or indirect, in the issuer, including an interest in the success of the offer,

describe the nature and terms of such contingency or interest.

#### **21.2 Interests of Underwriters or Financial Advisors**

If, in the opinion of the directors or equivalent persons of the issuer, any underwriter, financial advisor, or any appointed advisor in relation to the offer has a material relationship with the issuer, describe the nature and terms of such relationship.

## SECTION 16

### *Offering and Listing*

#### **29.1 Offer Details:**

- (a) Indicate the amount of any expense specifically charged to the subscriber or purchaser.
- (b) Describe the arrangement for transfer and any restriction on the free transferability of the Structured Notes being offered.

#### **29.3 Plan of Distribution**

- (a) Where not all of the Structured Notes being offered are guaranteed, provide a statement of the portion not so guaranteed.
- (b) State whether or not the issuer reserves the right to accept or retain over-subscriptions and if the issuer reserves such a right, the limit on the right so reserved expressed as a sum of money. Also, indicate whether the amount of the Structured Notes being offered can be increased and state the exercise period of and amount under which option;
- (c) If applicable, identify any group of targeted potential investors to whom the Structured Notes are being offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

#### **29.2 Listing Details**

- 29.2.1 Identify the licensed exchange or overseas securities exchange on which Structured Notes of the same class as those being offered are already listed for quotation or quoted, or on which permission to list for quotation or quote for Structured Notes is being or is proposed to be sought, if applicable.
- 29.2.2 When permission to list for quotation or quote on any licensed exchange or overseas securities exchange is being or is proposed to be sought in respect of the Structured Notes in paragraph 29.2.1 above, or the Structured Notes which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such Structured Notes will be listed for quotation or quoted and on which trading will commence.

#### **29.4 Expenses of the Issue**

- (a) Provide the amount and percentage of any fees, charges, commission or any expenses incurred in connection with the issuance and distribution of the Structured Notes to be listed or offered, and by whom the expenses are payable, if other than the issuer. The information may be given subject to future contingencies. If the amounts of any items are not known, estimates (identified as such) shall be given.

#### **29.5 Dealing and Settlement**

Provide information on any dealing and settlement arrangement, where applicable.

## SECTION 17

### *Subscription Terms and Conditions*

30. Provide all information, instructions and procedures that enable the subscribers or category of subscribers to understand their rights and obligations in relation to the offer and how to successfully accomplish the submission of the required information and documents, subscription forms, payment of the subscription amount, as well as the places and timeframe of each process or stage, starting with the offering period and ending with the receipt of the Structured Notes title and the refund of the excess subscription amount.

Such information, instructions and procedures shall be stated in full on the Subscription Form, which includes:

**(a) Note on Ignorance of Law is no Defence:**

Provide a statement to the extent that all applicants must carefully read the Prospectus and the terms and conditions stipulated to the Subscription Application Forms prior to signing and submission of the Subscription Application Form.

**(b) Application procedures:**

Provide information on:

- (i) The language(s) in which the application form should be completed;
- (ii) According to which instruction the subscription form should be completed;
- (i) Period during which such application needs to be submitted;
- (ii) Name and type of identity documents required for each applicant;
- (iii) Right of the receiving bank to verify identification documents;
- (iv) The requirement to have an account with the Structured Notes depositories;
- (v) Right and conditions to represent minors.

**(c) Subscription restrictions:**

Provide information on:

- (i) Whether the issuer has any restriction regarding the ownership of its Structured Notes, whether by nationality, or by category of applicant;
- (ii) Title evidence and depository arrangements made with clearing houses or depository institutions;
- (i) Any other restrictions that the offer, ownership of the issuer's Structured Notes, or the offer in general will be subject to.



**(d) Subscription period:**

Provide information on:

- (i) The date and time of the opening of the offering period;
- (ii) The date and time of the closing of the offering period;
- (iii) If applicable, whether the offering period will be subject to extension or not, if yes, provide information related to such extension requirements and conditions.

**(e) Receiving bank:**

Provide information on:

- (i) The application of the designated receiving bank(s) to receive the completed subscription application forms, together with the subscription funds;
- (ii) Name, address, location, contact and telephone numbers of the designated branches of the receiving bank(s).

**(f) Mode of payment:**

Provide information on:

- (i) The currency in which the required payments need to be made;
- (ii) The modes of payment that the applicant can use to pay the subscription amount;
- (iii) The details of the designated receiving bank's account in which the subscription amount needs to be credited;
- (ii) Specify the amount of the receiving bank's fees and charges that might be charged for each mode of payment.

**(g) Rejected applications:**

Provide information on:

- (i) Right of the issuer, lead manager and receiving bank to reject any subscription application;
- (ii) Factors that might be taken into account in making the decision regarding the rejection of any application;
- (iii) The date at which such applicants will be informed or notified, and by whom.

**(h) Allotment:**

Provide information on:

- (i) Time and date of the allotment;
- (ii) The allotment basis used to allot the offering of the Structured Notes;
- (i) If applicable, provide the allotment basis for each category of applicant;
- (ii) If different from the allotment basis declared in the Prospectus, provide information about the regulatory approval on the allotment;
- (iii) Allotment announcement date to declare the outcome of the subscription in terms of total subscription as compared with the total number of offered Structured Notes;

- (iv) Notifying the date of refunding and dispatching of Structured Notes title and excess subscription funds in the abovementioned public announcement;
- (v) If applicable, date of resuming the trade on the Structured Notes offered.

**(i) Dispatching and refunds:**

Provide information on:

- (i) The date in which the applicants will receive their Structured Notes title and excess amount of subscription, if any;
- (ii) The address where the applicants can collect the title of allotted Structured Notes and excess subscription amount they paid;
- (iii) Whether the applicants will be paid interest for any delay in dispatching and refunding of the excess subscription amount;
- (iv) The expected date at which the net proceeds will be transferred to the issuer.

**(j) Announcements, Notifications and Acknowledgements:**

Provide the date and nature of the general content of each announcement, notification or acknowledgement that the issuer, lead manager or any other appointed advisor plans to issue in respect of the offering, as stipulated in the Prospectus.

## SECTION 18

### *Additional Information*

31. Provide the following information:

#### **31.5 Taxation**

Provide information regarding taxes (including withholding provisions) to which holders of the Structured Notes may be subject. If the issuer is incorporated or constituted outside Bahrain, the information shall include whether the issuer assumes responsibility for the withholding of tax at source and applicable provision of any reciprocal tax treaties between the home country of the issuer and Bahrain, or a statement, if applicable, that there are no such treaties.

#### **31.2 Memorandum and Articles of Association of the Issuer**

Provide a summary of the provisions of the issuer's constituent documents and bylaws, including any provisions for the modification of the terms and conditions of the Structured Notes.

#### **31.7 Statement by Experts**

Where a statement or report attributed to a person as an expert is included in the Prospectus, provide such person's name, address and qualifications. Where the Prospectus contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert:

- (a) State the date on which the statement was made;
- (b) State whether or not it was prepared by the expert for the purpose of incorporation in the Prospectus; and
- (c) Include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the Prospectus with the inclusion of the statement in the form and context in which it is included in the Prospectus.

#### **31.10 Consent from Issue Managers and Underwriters**

Where a person is named in the Prospectus as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the Prospectus as the issue manager or underwriter, as the case may be, to the offer.

### **31.1 Statement by the Directors of the Sponsor**

Include a statement by the directors or equivalent persons of the sponsor that they individually and collectively accept full responsibility for the accuracy of the information given in the Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the Prospectus are fair and accurate in all material respects as at the date of the Prospectus and that there are no material facts the omission of which would make any statement in the Prospectus misleading.

### **31.2 Litigation**

Provide information on any legal or arbitration proceedings against the issuer, its trustee or the provider of any enhancement, including those which are pending or known to be contemplated, which may have, or have had in the last 12 months preceding the date of submission of the Prospectus, a material effect on the financial position or profitability of the issuer or the provider.

## SECTION 19

### *Documents Available for Inspection*

33. The Base Prospectus shall provide the date, time and address in Bahrain and/or elsewhere in which the documents referred to in the Prospectus can be inspected by the potential subscriber. Exhibits and documents on display should generally be translated into Arabic and/or English. Such documents, as well as the Prospectus, must be made available by the issuer, lead manager or any other principal advisor in Bahrain or elsewhere simultaneously with the offering or listing of Structured Notes. Such documents shall be made available for a period of at least 6 months from the date of the registration of the Prospectus with the CBB at a specified place in Bahrain and/or elsewhere.
- 33.1 (a) The constituent documents of the issuer
- (b) Any trust deed, fiscal agency agreement or other document constituting the Structured Notes;
  - (c) Every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the Prospectus; and
  - (d) The audited and interim financial statements of the issuer and, where the issuer is part of a group, the audited and interim financial statements of the group.

## SECTION 20

*Pro Forma Final Terms for Issue of Structured Notes*

To be Issued

## SECTION 21

Each final printed Prospectus shall provide as an attachment the printed Structured Notes subscription form, which shall include, as a minimum, information on the following particulars:

### *Offering Subscription Application Form*

[Name of Issuer]

[Eligible Subscribers]

[Total Number of Offered Structured Notes]

Initial Public Offering of [total number or range of number of shares offered] Ordinary Shares of Nominal Value BD.... Each with an over allotment option of up to ..... additional Ordinary Shares of Nominal Value BD... each to be offered in case of oversubscription.

*Application  
No.*

*Date*

Words and phrases defined in the Prospectus issued in relation to the offering of Ordinary Shares in [name of issuer] (the “Prospectus”), shall have the same meanings where used herein unless the context otherwise requires.

To: [Name of issuer], P.O. Box ...., Manama, Kingdom of Bahrain.

I/we the undersigned (the “Applicant”) having read the Prospectus issued in relation to the Offer of Ordinary Shares in the Company, wish to apply for Ordinary Shares in the Company subject to the Subscription Terms and Conditions as defined in the Prospectus and in this Offering Subscription Application Form. I/we acknowledge, represent and warrant that I/we have read, understand and accept the Prospectus including the Subscription Terms and Conditions and have had an opportunity to seek independent professional advice in relation to the Offer. Upon executing this Offering Subscription Application Form, I/we agree to be bound by this Offering Subscription Application Form, the Prospectus and the Subscription Terms and Conditions.

#### **1. Investor Details:**

##### **A) For Individuals**

**Investor Name:**

.....

**Nationality:** ..... **Passport No.:**.....

**Identification Number:** .....

**Date of Issue:** ..... **Place of Issue:** .....

**Employer:** ..... **Occupation:** .....

**Residential Address:**

**House/Flat:** ..... **Building:** .....

**Road/Lane:** ..... **Block:**.....

**P.O. Box:** ..... **City:** ..... **Country:** .....

**Facsimile:** .....

**Business Address:**

**Company:** ..... **Building:** .....

**Road/Lane:** ..... **Block:**.....

**P.O. Box:** ..... **City:** ..... **Country:** .....

**Preferred Mailing Address:**            **Residential**             **Business**



Tel: .....Fax:.....

Mobile:

.....Email:.....

**B) For Institutions**

Registered Name: .....

Registration No: .....Country Registered: .....

Institution Type: .....Headquarters: .....

P.O. Box: .....City: .....Country: .....

Mailing Address:

P.O. Box: .....City: .....Country: .....

Tel (1): .....Tel (2):.....

Fax: .....Email:.....

**2. Subscription Details:**

A) Number of Ordinary Shares applied for (Minimum .... shares and multiples of ..... shares thereafter, up to a maximum of .... shares)	<b>A</b>
B) Subscription Price per Ordinary Share (in Bahraini Dinar)	<b>B</b>
C) Total Subscription Amount to be paid (in Bahraini Dinar)	<b>C = A x B</b>

**3. Clearing House or Depository Arrangements Details:**

Name of Clearing House/Depository	
Identity Number	

**4. Payment Details:**

- By Cheque: Enclosed cheque No.:**.....(drawn on).....
- By transfer from account No.:** .....(held with).....

**Account Authorised Signatory:**

--

Bank Stamp Signature	Account authorised signatory	Representative Signature	Subscriber

## SECTION 22

### *Accredited Investor Status Confirmation Form*

Each final printed PPM shall provide as an attachment an Accredited Investors Status Confirmation Form, which shall include as minimum information the following particulars:

IN WITNESS WHEREOF I/we ..... confirm that I/we am/are (an) accredited investor(s) (as defined below), and further confirm that I/we have read and understood the definition of “accredited investor” as set out below. Furthermore, I/we have read the “risk factors” section of the Private Placement Memorandum dated \_\_\_\_\_, and understand the risk nature of the financial instruments on offer.

An accredited investor is defined as:

Category	Please tick [ <input type="checkbox"/> ] as appropriate
Individuals holding financial assets (either singly or jointly with their spouse) of US\$ 1,000,000 or more, excluding that person’s principal place of residence: or	
Companies, partnerships, trusts or other commercial undertakings, which have financial assets available for investment of not less than US\$1,000,000; or	
Governments, supranational organisations, central banks or other national monetary authorities, and state organisations whose main activity is to invest in financial instruments (such as state pension funds).	

THE PURCHASER HAS EXECUTED THIS AGREEMENT ON: ...../...../2010

#### **A. Subscription and Payment Arrangement:**

**(i) Number of shares to be purchased @ BD/US\$ .... each:** \_\_\_\_\_ shares  
(Number in words)

**(ii) Purchase price to be paid for shares ....**                      **BD/US\$** \_\_\_\_\_  
(Amount in words)

**(iii) Arrangement Fee @ ..... % of (i)**                                      **BD/US\$** \_\_\_\_\_

**(iv) Placement Fee @ ..... % of (i)** **BD/US\$** \_\_\_\_\_

**(v) Total Funds to be Remitted:** **BD/US\$** \_\_\_\_\_  
(Sum of (ii), (iii), (iv))

**B. Applicant's Details:**

**Printed Name of Applicant/Entity:** .....

**Signature of Applicant:** .....

**Signature of Authorised Representative:** .....  
(For non-individual subscribers)

**Title:** .....

**Capacity:** .....

**Printed Address:** .....

**Telephone:** .....

**Mobile:** .....

**Facsimile:** .....

**C. Designated Bank's Details:**

(For deposit/transfer of proceeds)

**Bank Name:** .....

**SWIFT:** .....

**A/C No.:** .....

**A/C Name:** .....

**D. In the Presence of:**

**Signature of Witness:** .....

**Printed Name of Witness:** .....

**In the Presence of:**

**Signature of Witness:** .....

**Printed Name of Witness:** .....