



**OFFERING OF SECURITIES
MODULE
Appendix OFS-4**

**Prospectus for Islamic Securitisations and
Asset-backed Securities**

APPENDIX 4

INFORMATION AND PARTICULARS TO BE INCLUDED UNDER ARTICLE 81 OF THE CBB LAW IN A PROSPECTUS FOR OFFERING OF ISLAMIC SECURITISATION AND ASSET-BACKED SECURITIES, 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 Islamic Sukuk or asset-backed securities 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 Islamic Sukuk or asset-backed securities being offered on that licensed exchange, and the name of such licensed exchange, otherwise give an appropriate negative statement;
4. A statement that no Islamic Sukuk or asset-backed securities 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 Islamic Sukuk or asset-backed securities are being offered, the legislation under which the Islamic Sukuk or asset-backed securities have been created, and the covering law and competent courts in the event of litigation;
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

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 “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 "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 derived 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 Section 8 before deciding to invest in debt securities.

Prospective investors 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 money laundering, 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 Sukuk or asset-backed 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 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 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 a 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 Sukuk or asset-backed securities has been approved, such arrangements or conditions must be presented in the Prospectus.
 - (d) For Islamic securitisation or Sukuk, the details within the Shari'a Pronouncement report shall include approval of the company's activity and its structure, and a review and assurance that all documents and agreements related to the offering are in line with Shari'a standards.

SECTION 8

Prospectus Summary and Risk Factors

16.1 Prospectus Summary

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

- (a) State the Sukuk issue or the asset-backed securities 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) For any Islamic securitisation transaction, provide the Shari'a Pronouncement report as approved by the Shari'a committee or advisor, or summarise using diagrammatic representations where possible, how the cash flows generated by the asset pool will be allocated to the Sukuk offered or among the different classes of asset-backed securities after deducting fees and expenses referred to in the Prospectus, to the extent necessary to understand the payment characteristics of each Sukuk issue or class of asset-backed securities being offered;
- (c) Identify any events or performance triggers that would alter the basic terms of each Sukuk issue or class of asset-backed securities or the asset pool composition or the flow of funds;
- (d) Identify any optional or mandatory redemption or termination features for each class of asset-backed securities;
- (e) Identify any enhancement arrangements for the Sukuk issue or the asset-backed securities being offered and briefly describe what protection or support is provided by the enhancement;
- (f) Summarise how losses not covered by any enhancement arrangements will be allocated to the Sukuk issue or asset-backed securities being offered;
- (g) Describe the roles of the sponsor and, where applicable, the depositor in relation to the securitisation transaction and the servicer in relation to the servicing of the asset pool;
- (h) Identify the underlying assets and the size and material characteristics of the asset pool;
 - (i) If the underlying assets can be added, removed or substituted, summarise the circumstances under which such actions can occur;
 - (j) Summarise the amount of, or the formula for calculating, the fee that the servicer will receive for performing its duties; and
- (k) If the issuance or sale of any Sukuk issue or class of asset-backed securities being offered is conditions on the assignment of a rating by one or more rating agencies, state the rating agency and the minimum rating that must be assigned.

16.2 Risk Factors

Disclose in a specific section with the heading “Risk Factors” the risk factors that are specific to the issuer, obligor or originator and the Sukuk issue or asset-backed securities being offered, which had materially affected, or could materially affect, directly or indirectly, the value of the underlying assets or the investments held by Sukuk holders or holders of the asset-backed securities.

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 Sukuks or asset-backed securities being offered;
- (c) Where the Sukuk or asset-backed securities are being offered at a discount or premium, the face value of the asset-backed securities 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 Expected 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) State the time at, date on and period during which the offer will be kept open, and where and to whom purchase or subscription applications should be sent. Describe whether the purchase period may be extended or shortened, and the manner and duration of possible extensions to, or shortening of, this period.
- (b) Describe the manner in which any extension or shortening shall be made public. If the exact dates or periods are not known when the document is first filed or distributed, describe arrangements for notifying or announcing the final or definitive date or period.
- (c) State the method and time limits for paying the subscription on the securities; where payment is partial, state the manner and dates on which the amounts due will be paid.
- (d) State, where applicable, the methods and time limits for:
 - (i) The book entry transfers of the securities being offered in favour of subscribers or purchasers;
 - (ii) The delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers.

- (e) If the Sukuk or asset-backed securities are subject to pre-emptive purchase rights, state the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.
- (f) Include a full description of the manner in which results of the distribution of securities will be made public or notified and, when 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 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 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 asset pool or the Sukuk or asset-backed securities, 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 asset pool, and any liabilities of the issuer, apart from the Sukuk or asset-backed securities;
- (f) The terms of any management or administration agreement relating to the Sukuk or asset-backed securities; 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 Sukuk or asset-backed securities, 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 assets of the obligor or originator and of each of its guarantors (in case of asset-backed securities) which are or may be available, whether by way of collateral or security or otherwise, are sufficient or are likely to be or become sufficient to discharge the principal debt, as and when it becomes due;
- (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 obligor or originator complies with the CBB Law, rules and regulations, or its equivalent rules and regulations, so far as it relates to the Islamic securitisation or asset-backed securities and is applicable;
- (d) Exercise reasonable diligence to ascertain whether or not the obligor or originator and each of its guarantors (in case of asset-backed securities) have committed any breach of the covenants, terms and provisions of the CBB Law, rules and regulations, the trust deed or any Shari'a principle (in case of Islamic securitisation transactions);
- (e) Except where it is satisfied that the breach will not materially prejudice the collateral or the security, if any, for the securities or the interests of the holders of the securities, shall take all steps and take all such actions as it is empowered to do to cause the obligor or originator and any of its guarantors (in case of asset-backed securities) to remedy any breach of those covenants, terms, provisions and principles;
- (f) Where the obligor or originator or any of its guarantors (in case of asset-backed securities) fails when so required by the trustee to remedy any breach of the covenants, terms, provisions and principles of the securities or the trust deed, may place the matter before a meeting of holders of the securities, 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 obligor or originator 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 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 securities being offered, including:

- (a) The interest rate for each class of securities 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 will be paid on the securities being offered, including maturity dates, amortisation or principal distribution schedules, principal distribution dates, formulae for calculating principal distributions from the cash flows and other factors that will affect the timing or amount of principal payments for each class of securities 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 securities;

- (e) If any class of the securities being offered includes an optional or mandatory redemption or termination feature:
 - (i) The terms for triggering the redemption or termination process;
 - (ii) The source of funds, and the redemption price or formula for determining such amount; and
 - (iii) The procedures for redemption or termination, including any notices to the holders of securities;
- (f) The procedures for, and validity period of claims to payment of interest and repayment of the principal sum;
- (g) A description of how cash is held and invested or used pending distribution to holders of the securities;
- (h) A description of any subordination or seniority of the issue to other debts of the issuer already incurred or to be incurred;
- (i) 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 securities being offered;
- (j) Any specific changes to the securities structure or flow of funds that will be triggered upon a default or event of default; and
- (k) Any liquidation, amortisation, performance or similar triggers or events which will affect the securities structure or flow of funds.

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. 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

18.6.1 The pool of the underlying assets used in any Islamic securitisation transaction shall not be used to back any other Islamic securitisation transaction during the life of the maturity.

- 18.6.2 If one or more additional tranches of asset-backed securities that are backed by the same asset pool have been or may be issued by the issuer, include a prominent statement to that effect and provide information regarding each additional tranche of asset-backed securities to the extent material to understanding its effect on the asset-backed securities being offered, including:
- (a) The relative priority of the additional tranche of asset-backed securities to the asset-backed securities being offered in relation to the rights to the underlying assets and their cash flows;
 - (b) The allocation of cash flows from the asset pool and any expenses or losses among the various tranches of asset-backed securities;
 - (c) The terms under which that additional tranche of asset-backed securities may be issued and the underlying asset increased or changed;
 - (d) A statement as to whether the prior approval of existing holders of the asset-backed securities will be sought.

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 securities 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 securities being offered is liable or contingently liable to provide payments representing 10% or more of the cash flows supporting any issue of securities 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 securities 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 securities.

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 issue manager, sponsor and 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 securities 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 securities.
- 18.10.2 Where the issuer does not intend to publish annual reports and financial statements, provide a statement of that fact.

SECTION 11

Underlying Assets

19.1 Characteristics of Underlying Assets

- 19.1.1 Provide the following information on the trust assets or underlying assets;
- (a) The type or types of trust assets or underlying assets to be securitised;
 - (b) The material terms and conditions that apply in respect of each type of trust assets or underlying assets;
 - (c) The solicitation, credit-granting or underwriting criteria used to originate or purchase such assets and the extent to which such criteria could be overridden;
 - (d) The method and criteria by which the trust assets or underlying assets are selected;
 - (e) The process for handling delinquencies, losses, bankruptcies and recoveries, if applicable; and
 - (f) Where legal or regulatory provisions may materially affect the performance of the trust assets or underlying assets or payments or expected payments on the securities, these provisions and their effect.
- 19.1.2 Describe the material characteristics of the trust assets or underlying assets, including:
- (a) The number of each type of the assets;
 - (b) The total value of the assets and the method of determining such value 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 date from which interest or any other payment accrues and the payment dates;
 - (e) The expiry or maturity dates of the assets, if applicable;
 - (f) Whether the trust assets or underlying assets are secured or unsecured and if secured, the type of collateral and the ratio of the value or amount of the assets to the value or amount of such security at the time of the transfer or assignment of the assets from the sponsor to the issuer;
 - (g) The credit quality of the obligors or originators;
 - (h) The billing and payment procedures, including frequency of payment, payment options, fees, charges and origination or payment incentives; and
 - (i) The geographic distribution or other concentrations which are material to the asset type, if applicable.

- 19.1.3 Provide a description of the cash flow profile of, the ageing of cash flows of, and if available, historic levels of arrears of or rates of default in the payments generated by the trust assets or underlying assets, or other assets of a similar quality, if applicable.
- 19.1.4 Summarise any significant representations and warranties made concerning the assets by the sponsor, depositor or any other party and describe briefly the remedies available if those representations and warranties are breached.
- 19.1.5 Describe any material direct or contingent claim that parties other than the holders of the securities have on the assets. Also describe any material cross-collateralisation or cross-default provisions relating to the assets.
- 19.1.6 Provide information regarding circumstances where relevant assets may be added, substituted or removed from the asset pool, including:
- (a) When and how relevant assets can be removed or substituted;
 - (b) Any differences in the acquisition or underwriting criteria for additional trust assets or underlying assets and the criteria used to select the current asset pool;
 - (c) The party with the authority to add, remove or substitute assets from the asset pool or determine if such assets meet the acquisition or underwriting criteria for additional assets;
 - (d) Any requirements to add or remove minimum amounts of trust assets or underlying assets and any effects of not meeting those requirements; and
 - (e) How investors will be notified of changes to the asset pool.

19.2 Sale or Transfer of Underlying Assets

- 19.2.1 Describe the sale or transfer of the trust assets or underlying assets to the issuer, obligor or originator, as well as the creation of any security interest in favour of the issuer, obligor or originator, the holders of securities or others, including the material terms of any agreement providing for such sale, transfer or creation of a security interest.
- 19.2.2 State the amount paid or to be paid for the trust assets or 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, obligor or originator, the sponsor, the depositor and any underwriter to the offer.

- 19.2.3 If expenses incurred in connection with the selection and acquisition of the trust asset or 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, servicer, depositor, issuer, underwriter or any associate of the foregoing, separately identify the type and amount of expenses paid to each such party.

19.3 Significant Obligor or Originators of Underlying Assets

Where any obligor or originator accounts for 10% or more of the total value of the trust assets or underlying assets, provide:

- (a) The name, address, country of incorporation or constitution and nature of business of the obligor or originator;
- (b) To the extent that the issuer is aware or is able to ascertain from information published by the obligor, material financial information in respect of each obligor or originator, unless:
 - (i) The shares or equity interests of the obligor or originator are already listed for quotation on a licensed exchange, or overseas securities exchange; or
 - (ii) In case of the guaranteed asset-backed securities, the obligations of the obligor are guaranteed by an entity the shares or equity interests of which are already listed for quotation on a licensed 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 obligor 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 obligor or originator and the issuer;
 - (ii) The obligor, originator and the issue manager and the sponsor;
 - (iii) The guarantor of asset-backed securities and the issuer; and
 - (iv) The guarantor of asset-backed securities and the sponsor;
- (d) Information on the nature and extent of the exposure of the trust assets and underlying assets to the obligor or originator; and
- (e) The material terms of the trust assets or underlying assets, or the agreements with the obligor or originator involving the trust assets or underlying assets.

SECTION 12

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 securitisation programme and how long it has been engaged in similar securitisation transactions; and
- (c) Its role and responsibilities in the securitisation programme, including whether the sponsor or its associate is responsible for originating, acquiring, pooling or servicing the asset pool, and the sponsor's participation in setting-up the asset-backed securities structure and in the management of the asset pool.

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 asset-backed securities, regarding the asset-backed securities or the asset pool.

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 asset pool;
- (b) The material items of the servicing agreement and its duties in relation to servicing of the asset pool;
- (c) The manner in which amounts due in relation to the relevant assets will be collected and maintained;
- (d) Its ability to waive or modify any terms, fees, penalties or payments in relation to the asset pool 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 asset pool, 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 of the asset pool which in turn can materially affect the performance of the asset-backed securities being offered; and
- (h) A summary of the terms regarding the removal, replacement or resignation of the servicer.

SECTION 13

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 sponsor, depositor or issuer;
- (b) Has a material interest, whether direct or indirect, in the Sukuk or asset-backed securities of the issuer, obligor or originator; or
- (c) Has a material economic interest, whether direct or indirect, in the issuer, obligor or originator, 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 sponsor, depositor or issuer, describe the nature and terms of such relationship.

SECTION 14

Information on the Obligor or Originator

22. Provide information about the obligor or originator's business operations, the products or the services it provides, and the factors that affect its business. Also provide information regarding the adequacy and suitability of the obligor or originator's properties, plant and equipment, as well as its plans for future increases or decreases in such capacity. The obligor or originator is also required to provide current valuations of its properties other than those that are available for sale or held as investment, and any additional information regarding these properties, plant and equipment that are not already disclosed in the financial statements of the obligor or originator.

22.1 Background and History

The following information shall be provided:

- (a) The legal and commercial name of the obligor or originator.
- (b) The date of incorporation and the length of life of the obligor or originator, except where unspecified.
- (c) The domicile and legal form of the obligor or originator, the legislation under which the obligor or originator operates, its country of incorporation and the address, telephone, facsimile numbers and web address of its registered office (or principal place of business, if different from its registered office). Provide the name and address of the obligor or originator's agent in Bahrain, if applicable.
- (d) The length of time for which the business of the obligor or originator, or if the obligor or originator is the holding company of a group, of the group has been carried on and the important events in the development of the business.
- (e) Information concerning the nature and results of any material reclassification, merger or consolidation of the obligor or originator, or any of its significant subsidiaries; acquisitions or dispositions of material assets other than in the ordinary course of business; any material changes in the mode of conducting the business; any material changes in the types of products produced or services rendered; name changes; or the nature and results of any bankruptcy, receivership or similar proceedings with respect to the obligor or originator or significant subsidiaries within the preceding 5 years.
- (f) A description, including the amount invested, of each material expenditure on and divestment of capital investment (including any interest in another corporation) by the obligor or originator or, if the obligor or originator is the holding company of a group, by the group between the beginning of the period comprising the 3 most recent completed financial years and the latest practicable date.

- (g) A description of each material expenditure on and divestment of capital investment by the obligor or originator or, if the obligor or originator is the holding company of a group, by the group which is in progress, including the geographical location of the investment and the method of financing.
- (h) Any public take-over offer by a third party in respect of the obligor or originator's shares or by the obligor or originator in respect of the shares of another corporation or the units of a business trust, which has occurred between the beginning of the most recent completed financial year and the latest practicable date, including the price or exchange terms attaching to such offer and the outcome thereof.

22.2 Principal Activities

Provide the principal activities or objectives of the obligor or originator as stipulated in its Articles of Association, if the obligor or originator's principal activities are altered, changed or amended, providing the date and reason for such change.

22.3 Business Overview and Strategy

- (a) A description of the nature of the obligor or originator's operations and its principal activities, stating the main categories of products sold and/or services performed for each of the last 3 financial years. Indicate any significant new products and/or services that have been introduced, and to what extent the development of new products or services has been publicly disclosed, giving the status of such development.
- (b) A description of the principal markets in which the obligor or originator competes, including a breakdown of total revenue (by category) for each activity and split into different geographical markets for each of the last 3 financial years.
- (c) Whether the main business is seasonal in nature and, if so, details of such seasonal nature.
- (d) A description of the sources and availability of raw materials, including a description of whether prices of principal raw materials are volatile.
- (e) A description of the marketing channels used by the obligor or originator, including an explanation of any special sales methods, i.e. by instalments.
- (f) Whether the business or profitability of the obligor or originator is materially dependent on any patent or license, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.
- (g) The basis for any statements made by the obligor or originator regarding its competitive position shall be disclosed. If the obligor or originator claims a competitive advantage, it should disclose the basis for that claim. If the obligor or originator does not disclose some information based on competitive issues, it should also disclose that fact.
- (h) Any material effects of government regulations on the obligor or originator's business, identifying the regulatory body.

22.4 Industry Analysis and Overview

The Prospectus may include a brief summary about the industry or segment of business where the obligor or originator is operating. Such information may analyse the key factors impacting on the obligor or originator's business, either at the macro-economic, sectoral or sub-sectoral levels.

22.5 Organisational Structure

- (a) If the obligor or originator is part of a group, briefly describe the group, and the obligor or originator's position within the group.
- (b) If the obligor or originator is the holding company of a group, provide information on every subsidiary, subsidiary entity, associated company and associated entity of the obligor or originator, being a subsidiary, a subsidiary entity, an associated company or an associated entity, as the case may be, the absolute amount of the net assets, net liabilities or profit or loss before tax of which accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 3 most recent completed financial years.
- (c) Such information shall include the name, country of incorporation or constitution, principal place of business, principal activities, proportion of ownership interest of the obligor or originator and if different, proportion of voting power held by the obligor or originator.
- (d) For the purpose of the prospectus requirements, a subsidiary entity or associated entity shall include the Special Purpose Vehicle and off-balance sheet investments or assets, irrespective of whether they are subject to the consolidation requirement or not, and whether located in Bahrain or outside Bahrain.

SECTION 15

Corporate Governance Practices

23. Provide information about the Corporate Governance Code that the obligor or originator is subject to in its home market and/or in other jurisdictions in which the obligor or originator or its subsidiaries, associates or branches are operating or listed. The obligor or originator shall provide detailed information about its corporate governance principles and practices and the corporate governance structure.
- 23.1 Provide information on the Corporate Governance Code that the obligor or originator is subject to, whether in Bahrain or elsewhere. Such information shall provide a brief summary about such codes and principles, the date, legislative, and the authority(s) issued and promulgating such code.

23.2 Board of Directors and Senior Management

- 23.2.1 Provide information on the obligor or originator's corporate governance practices regarding:
- (i) Board of directors;
 - (ii) Senior management.
- 23.2.2 Provide information on the obligor or originator's directors and senior managers that will allow investors to assess such individuals, expertise, qualifications and levels of compensation, as well as their relationship with the obligor or originator.

(a) Information on Directors and Senior Management:

The following information shall be disclosed with respect to the obligor or originator's directors, senior management, and any employees holding a controlled function, as defined by the CBB Rulebook. Such information shall also be provided for any employees such as professionals, scientists or designers, upon whose work the obligor or originator depends:

- (i) Name, details of past working experience, educational and professional qualifications, if any, and areas of expertise or responsibility in the obligor or originator or, if the obligor or originator is the holding company of a group, in the group;
- (ii) Each principal business activity performed outside the obligor or originator, or if the obligor or originator is the holding company of a group, the group and each principal directorship held at present or in the last 5 years other than in the obligor or originator;

- (iii) Date of birth or age;
- (iv) The nature of any relationship in respect of insiders' rules:
 - Between any of the persons named above; or
 - Between any of the persons named above and any major shareholder of the obligor or originator;
- (v) Any arrangement or understanding with a major shareholder, customer or supplier of the obligor or originator or other person, pursuant to which any person referred to above was selected as a director or key executive of the obligor or originator.
- (vi) Whether such person is a party to current debt recovery litigation or has a record of being a cheque abuser, or has been involved previously in any bankruptcy, fraud, money laundering, financial crimes or other serious criminal proceedings, as can be ascertained from the CBB's, the licensed exchange's or other similar records in Bahrain or other jurisdictions. If so, disclose circumstances.

(b) Management Reporting Structure:

Provide the management reporting structure of the obligor or originator.

(c) Interest in Asset-backed Securities:

- (i) Provide the names of each major shareholder and director and the chief executive officer of the obligor or originator, and state the number and percentage of asset-backed securities of each class in which each of them has an interest, whether directly or indirectly, as of the latest practicable date and immediately after the offer. Disclose any significant change in the percentage of ownership in the last 3 years prior to the latest practicable date.
- (ii) Indicate whether the asset-backed securities in which the persons referred to in (i) above have interests carrying different voting rights from those asset-backed securities being offered, or provide an appropriate negative statement.
- (iii) To the extent known to the obligor or originator, state whether the obligor or originator is directly or indirectly owned or controlled, whether severally or jointly, by any person or government, and if so, give the name of such person or government and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.
- (iv) Disclose any contractual undertaking provided by any party to observe a moratorium on the transfer or disposal of his interest, directly or indirectly, in the asset-backed securities of the obligor or originator.
- (v) Describe any known arrangement the operation of which may, at a subsequent date, result in a change in control of the obligor or originator.

(d) Material Background Information:

Disclose the following matters concerning a director, key executive or major shareholder of the obligor or originator:

- (i) Whether at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him, or against a partnership of which he was a partner at the time when he was a partner, or at any time within 2 years from the date he ceased to be a partner.
- (ii) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or equivalent person or a key executive of that entity, or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency.
- (iii) Whether there is any unsatisfied judgment against him.
- (iv) Whether he has ever been convicted of any offence, in Bahrain or elsewhere, involving money laundering, financial crimes, fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose.
- (v) Whether he has ever been convicted of any offence, in Bahrain or elsewhere, involving a breach of any law or regulatory requirement that relates to the capital market in Bahrain or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach.
- (vi) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Bahrain or elsewhere involving a breach of any law or regulatory requirement that relates to the capital market in Bahrain or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part.
- (vii) Whether he has ever been convicted in Bahrain or elsewhere of any offence in connection with the formation or management of any entity or business trust.

- (viii) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust.
- (ix) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity.
- (x) Whether he has ever, to his knowledge, been concerned with the management or conduct of the affairs of:
 - a. Any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Bahrain or elsewhere;
 - b. Any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Bahrain or elsewhere;
 - c. Any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Bahrain or elsewhere; or
 - d. Any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the capital market in Bahrain or elsewhere.

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust.
- (xi) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning by the CBB or any other regulatory authority, exchange, professional body or government agency, whether in Bahrain or elsewhere.

(e) Board Practices:

The following information for the obligor or originator's last 2 completed financial years shall be given with respect to, unless otherwise specified, the obligor or originator's directors and senior management:

- (i) Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.
- (ii) Details of directors' and senior management service contracts with the obligor or originator or any of its subsidiaries, providing for benefits upon termination of employment, or an appropriate negative statement.

(f) Board's Committees:

In respect of the current financial year, provide details relating to the obligor or originator's primary board committees, including executive committee, audit committee, insiders committee, risk management committee and remuneration committee, including the name of committee members, and a summary of the terms of reference under which each committee operates.

(g) Compensation:

- (i) Provide information on the obligor or originator's compensation policy in respect of Board of Directors, senior management and employees separately.
- (ii) Disclose:
 - a. The amount of compensation paid by the obligor or originator or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years; and
 - b. The estimated amount of compensation paid and to be paid by the obligor or originator or its subsidiary or subsidiary entity for the whole of the current financial year to:
 - Each director of the obligor or originator; and
 - Each of the top 5 (in terms of compensation) key executives (not being director) of the obligor or originator or, if the obligor or originator is the holding company of a group, of the group, for services rendered by such a person in all capacities to the obligor or originator or its related corporation or related entity.
- (iii) For the purpose of (ii) above:
 - a. Compensation includes any benefit in kind; and
 - b. Compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date.
- (iv) For the purposes of (ii) b above, any estimated amount of compensation that is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, but which has not yet been paid, may be excluded from the calculation of the estimated amount of compensation in respect of the whole of the current financial year, provided that fact is stated.
- (v) If any portion of the compensation was paid or is to be paid pursuant to any bonus or profit-sharing plan, or any other profit-linked agreement or arrangement, identify the person to whom such compensation was or is to be paid and briefly describe such plan, agreement or arrangement and the basis of such person's participation in the plan, agreement or arrangement.

- (vi) If any portion of the compensation was paid or is to be paid in the form of stock options, identify the persons to whom such compensation was or is to be paid and provide the description and number of asset-backed securities covered by the options, the exercise price, the option purchase price (if any), the period during which the options are exercisable and the expiration date of the options.
- (vii) State the total amounts set aside or accrued by the obligor or originator or its subsidiary or subsidiary entity to provide pension, retirement, or similar benefits, if any.
- (viii) Provide details of any existing or proposed service contract entered or to be entered into by the directors of the obligor or originator and with the obligor or originator or its subsidiary or subsidiary entity which provide for benefits upon termination of employment, or an appropriate negative statement.
- (ix) For a service contract referred to in (viii) above with a fixed term, state the term of each such contract, the unexpired term and the name of the relevant director.

23.3. Employees

- (a) Provide information on the obligor or originator's recruitment policy.
- (b) The following information shall be provided in respect of the obligor or originator's employees:
 - (i) Provide the number of employees at the end of each of the last 3 financial years of the obligor or originator, or if the obligor or originator is the holding company of the group;
 - (ii) Provide a breakdown of persons employed by nationality, main category of activity and geographic location during the most recent full financial year;
 - (iii) Disclose any significant change in the number of employees;
 - (iv) Provide information regarding the relationship between management and any labour committee or union; and
 - (v) If the obligor or originator employs a significant number of temporary employees, include the number of temporary employees on an average during the most recent financial year.

23.4. Share Ownership and Options

- (a) Provide information on the obligor or originator's practices regarding the restrictions and limits on share ownership imposed by laws, rules, regulations and its Articles of Association.
- (b) The following information shall be provided in respect of the directors, senior management and employees:

- (i) Asset-backed securities ownership for the last 3 completed financial years, including disclosure of the total number of asset-backed securities and percentage of asset-backed securities outstanding of that class, whether they have different voting rights where held by each of the directors and senior management separately, and employees in aggregate.
- (ii) Provide information as to the options on the asset-backed securities of the obligor or originator granted to each of the directors, senior management separately and the employees in aggregate in respect of each option including:
 - a. The description and number of asset-backed securities covered by the option;
 - b. The exercise price;
 - c. The option purchase price (if any);
 - d. The period during which the option is exercisable; and
 - e. The expiration date of the option.
- (iii) Describe any arrangement which involves the employees of the obligor or originator and, if the obligor or originator is a holding company, the directors or employees of a subsidiary, a subsidiary entity, an associated company or an associated entity of the obligor or originator, in the share capital of the obligor or originator, including any arrangement that involves the issue or grant of options or debt securities or any other securities of the obligor or originator.

23.5. External Auditor

- (a) Provide information on the corporate governance practices of the obligor or originator in respect of the external auditor in terms of appointment, appointment terms, role and responsibilities, selection criteria, regulatory approval, audit partner rotation and any other information related to the external auditor of the obligor or originator.
- (b) Provide the names and addresses of the obligor or originator's external auditor for the preceding 3 financial years, and if the external auditor has been changed provide reasons for such change.

23.6. Legal Advisor and other Advisors

Provide the names and addresses of the obligor or originator's principal bankers, legal advisor and other advisors, to the extent that the obligor or originator has a continuous relationship with such advisors.

SECTION 16

Major Shareholders, Related Parties Transactions and Conflict of Interest

24. Provide information regarding the major shareholders and others that control or may control the obligor or originator. Also give information regarding transactions the obligor or originator has entered into with persons affiliated, associated or related party to the obligor or originator, and advise whether the terms of such transactions are at arms' length to the obligor or originator.

24.1. Information on the Major Shareholders:

Provide the following information:

- (a) The number of holders of each class of asset-backed security and the voting rights attached to each class.

A distribution schedule of each class of asset-backed security, setting out the number of holders and percentage (expressed as a percentage of total outstanding shares of the obligor or originator) in the following categories:

<i>Category</i>	<i>No. of Shares</i>	<i>No. of Shareholders</i>	<i>% of Total Outstanding Shares</i>
Less than 1%			
1% up to less than 5%			
5% up to less than 10%			
10% up to less than 30%			
30% up to less than 50%			
50% up to less than 75%			
Above 75%			

- (b) Provide, as of the most recent practicable date in respect of any interim financial period, and as at the record date of the annual general meeting for the last 3 completed financial years, the number of shares held, including shares beneficially owned by the obligor or originator's major shareholders, i.e. shareholders that are the beneficial owners of 5% or more of each class of the obligor or originator's voting asset-backed securities.
- (c) Provide the names and nationalities of the major shareholders, and the number of shares and percentage of outstanding shares of each class owned by each of them as of the most recent practicable date for the last completed financial year, or an appropriately negative statement.
- (d) Disclose any significant change in the percentage ownership held by any major shareholders during the past 3 years and the manor of such changes, i.e. subscription to rights offering, acquisition or disposal of shares in the market, or any other change in shareholding.

- (e) Indicate whether the company's major shareholders have different voting rights, or include an appropriately negative statement.
- (f) Information shall be provided as to the portion of each class of securities held, and the number of recorded shareholders.
- (g) State whether the obligor or originator is directly or indirectly owned or controlled by another corporation(s), by any foreign government, or by any other person(s) separately or jointly, and, if so, give the name(s) of such controlling corporation(s), government or other person(s), and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.
- (h) Describe any arrangements known to the obligor or originator, the existence or operation of which may at a subsequent date, result in a change in control of the obligor or originator.

24.2. Related Parties and Transactions

- (a) Provide the following information for the whole of the obligor or originator's last 3 financial years up to the date of the Prospectus, with respect to transactions or loans between the obligor or originator and:
 - (i) Persons that directly or indirectly through one or more persons, control or are controlled by, or are under common control with, the obligor or originator;
 - (ii) Associates, other than those transactions in the ordinary course of business. An associate is an unconsolidated enterprise in which the obligor or originator has a significant influence, or which has significant influence over the obligor or originator, and includes enterprises owned by directors or major shareholders of the obligor or originator and enterprises that have a member of key management in common with the obligor or originator.
 Significant influence over an enterprise is the power to participate in the financial and operating policy decisions of the enterprise, but does not have control over those policies. Shareholders beneficially owning 10% or more interest in the voting power of the obligor or originator are presumed to have a significant influence on the obligor or originator.
 - (iii) Individuals owning, directly or indirectly, an interest in the voting power of the obligor or originator that gives them significant influence over the obligor or originator, and close members of any such individual's family. Close members of an individual's family are those that may be expected to influence, or be influenced by that person in their dealings with the obligor or originator.
 - (iv) Key management personnel, i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the obligor or originator, including directors and senior management of the obligor or originator, and close members of such individuals' families; and
 - (v) Enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (ii) or (iii) above, or over which such a person is able to exercise significant influence.

- (b) Describe the nature and extent of any transactions or currently proposed transactions that are material to the obligor or originator or the related party, or any transactions that are unusual in their nature or conditions, involving goods, services, or tangible or intangible assets to which the obligor or originator or its holding company, or any of its subsidiaries was a party.
- (c) Describe the amount of outstanding loans (including guarantees of any kind) made by the obligor or originator or any of its holding companies or subsidiaries, to or for the benefit of any of the persons mentioned in paragraph 24.2 (a) above. The information given should include the largest amount outstanding during the period covered, the amount outstanding as of the latest practicable date, the nature of the loan and the transaction in which it occurred, and the interest rate on the loan.
- (d) For each transaction referred to in (a) above:
 - (i) That has been completed or will be completed at or before the close of the offer, disclose whether or not the transaction has been or will be carried out on an arm's length basis;
 - (ii) That will continue after the close of the offer, disclose:
 - a. Whether or not the transaction has been carried out on an arm's length basis; and
 - b. The procedure undertaken or which will be undertaken to ensure that such transaction will be carried out on an arm's length basis; or
 - (iii) That has been proposed, disclose the procedure which will be undertaken to ensure that such transaction will be carried out on an arm's length basis.
- (e) For each loan referred to in (a) above:
 - (i) That has been repaid or will be repaid at or before the close of the offer, disclose whether or not the loan was made on an arm's length basis;
 - (ii) That is to be repaid, whether partly or wholly, after the close of the offer, disclose:
 - a. Whether or not the loan was made on an arm's length basis; and
 - b. When the loan is intended or required to be repaid; or
 - (iii) That has been proposed, disclose the procedure which will be undertaken to ensure that such loan will be made on an arm's length basis.
- (f) Where transactions or loans between the obligor or originator and a related party of the obligor or originator are similar and recurring in nature or could otherwise be grouped in a meaningful manner, the information required with respect to the transactions or loans in (a), (d) and (e) should be provided on an aggregate basis, if the aggregate of these transactions or loans are material in the context of the offer.

24.3. Conflicts of Interests:

Where a director, major, or controlling shareholder of the obligor or originator or his associate has an interest in any entity carrying on the same business or dealing in similar products or services as the obligor or originator or, if the obligor or originator is the holding company of a group, disclose:

- (a) The name of that entity;
- (b) The name of the director or controlling shareholder involved;
- (c) The nature and extent of his interest in that entity and the extent to which he is involved in the management of that entity either directly or indirectly; and
- (d) Whether any conflict of interests thereby arising has been or is to be resolved or mitigated and, if so, how it has been or is proposed to be resolved or mitigated.

24.4. Interests of Experts and Counsel

If any of the named experts or counsellors:

- (a) Are employed on a contingency basis by the obligor or originator or its subsidiary or subsidiary entity;
 - (b) Has a material interest, whether direct or indirect, in the shares of the obligor or originator or its subsidiary, or in the debt interests of its subsidiary entity; or
 - (c) Has a material economic interest, whether direct or indirect, in the obligor or originator, including an interest in the success of the offer;
- describe the nature and terms of such contingency or interest.

24.5. Interests of Underwriters or Financial Advisors

Describe the nature and terms of the obligor or originator's material relationship with any of its underwriters, financial advisors and any other appointed advisor. Such information shall disclose the business relationship if any, terms and conditions of the underwriting arrangements, fees and commission paid, or will be paid, the rights or options on the current offering or future issues.

24.6. Material Contracts

Provide a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the obligor or originator or any member of the group is a party, for any outstanding contracts at the time of publication of the Prospectus, including dates, parties, general nature of the contracts, terms and conditions, and amount of any consideration passing to or from the obligor or originator, or any other member of the group.

SECTION 17

Key Financial Information

25. Summarise key information about the obligor or originator's financial condition, capitalisation and risk factors. If the financial statements included in the document are restated to reflect material changes in the obligor or originator's group structure or accounting policies, the selected financial data must be restated.

25.1. Selected Financial Data

The obligor or originator shall provide the selected historical financial data for itself for the 5 most recent financial years (or such shorter period as the obligor or originator has been in operation), in the same currency as the financial statements.

- (a) Selected financial data for either (or both) of the earliest 2 years of the 5-year period may be omitted, if the obligor or originator declares to the CBB that such information cannot be provided, or cannot be provided on a restated basis, without unreasonable effort or expense.
- (b) If interim period financial statements are included, the selected financial data should be updated for that interim period, which may be unaudited, provided that fact is stated.
- (c) If selected financial data for interim periods are provided, comparative data from the same period in the previous financial year shall also be provided, unless the requirement for comparative balance sheet data is satisfied by presenting the year-end balance sheet information.
- (d) In the provision of this summary of financial information, the obligor or originator is required to state whether the financials:
 - (i) Have been prepared in accordance with International Financial Reporting Standards (IFRS);
 - (ii) Have been audited in accordance with the International Standards on Auditing (ISA), and shall state the type of audit opinion received whether 'unqualified' or 'qualified'.
- (e) For the selected profit and loss data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited or interim financial statements, as the case may be. Such data must include items generally corresponding to the following:
 - (i) Amount of net sales or revenue;
 - (ii) Amount of profit or loss before tax;
 - (iii) Amount of net profit or loss;
 - (iv) Earnings or loss amount per share; and

- (v) Earnings or loss amount per share, after any adjustment to reflect the sale of new shares;
must be provided and determined in accordance with the body of accounting principles used in preparing the financial statements.
- (f) For the selected balance sheet data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited annual financial statements or reviewed interim financial statements, as the case may be. Such data must include items generally corresponding to the following:
 - (i) Total assets;
 - (ii) Total liabilities;
 - (iii) Net assets or liabilities; and
 - (iv) Issued and paid-up share capital and reserves.
- (g) Where the financial statements provided in response to Section 19 are prepared in a currency other than the Bahraini Dinar (BHD) or United States Dollar (USD), disclosure of the exchange rate between the financial reporting currency and BHD or USD should be provided, using the exchange rate, if applicable:
 - (i) At the latest practicable date;
 - (ii) The highest and lowest exchange rates for each month during the previous 12 months; and
 - (iii) For at least the last 3 most recent financial years and any subsequent interim period for which financial statements are presented, the average exchange rates for each period, calculated by using the average of the exchange rates on the last day of each month during this period.

SECTION 18

Operating and Financial Review and Prospects

26. Under this Section, provide the following information regarding the development of the obligor or originator's or the obligor or originator's group businesses, operations, and financials.

26.1 The abovementioned information shall cover:

- (a) An explanation (in financial statement line items) of factors that have affected the obligor or originator's financial condition and results of operations for each year, as well as the interim period for which the financial statements are required in the Prospectus, including the causes of these material changes from year-to-year and period-to-period.
- (b) Management's assessment of factors and trends that are anticipated to have a material effect on the obligor or originator's financial conditions and results of operations in the same future period.
- (c) Such information shall be provided in respect of each of the 2 most recent completed financial years and other interim financial periods for which audited and interim financial statements have been included in the Prospectus.
- (d) The information as specified below, as well as any information that is necessary for an investor's understanding of the obligor or originator's business as a whole, including all separate segments of the obligor or originator.

26.2. Operating Results

- (a) For each financial period, provide information regarding significant factors, including unusual or infrequent events or new developments which materially affected profit or loss before tax of the obligor or originator, and indicate the extent to which such profit or loss was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.
- (b) To the extent that the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the extent to which such changes are attributable to changes in prices or to changes in the volume, or the amount of products or services being sold, or the introduction of new products or services as compared to the previous corresponding period.
- (c) Describe the impact of inflation, if material. If the currency in which financial statements are presented is from a country that has experienced hyperinflation, a minimum of at least 5 years history of the annual rate of inflation and a discussion of the impact of hyperinflation on the obligor or originator's business shall be disclosed.

- (d) Provide information regarding the impact of foreign currency fluctuations on the obligor or originator, if material, and the extent to which foreign currency net investments are hedged by currency borrowings and other hedging instruments.
- (e) Provide information regarding any governmental economic, fiscal, monetary or political policies or factors that have materially affected, or are expected to materially affect, directly or indirectly, the obligor or originator's operations or investments.

26.3 Liquidity and Capital Resources

The following information regarding the obligor or originator's liquidity (both short and long term), shall be provided for each financial period, including:

- (a) A description of the material sources of liquidity, whether internal or external, and a brief discussion of any material unused sources of liquidity, as of the latest practicable date, including a statement by the directors of the obligor or originator as to whether, in their reasonable opinion, the working capital available to the obligor or originator, or if the obligor or originator is the holding company of a group, to the group, as at the date of submission of the prospectus is sufficient for present requirements and if insufficient, how the additional working capital considered by the directors to be necessary is proposed to be provided.
- (b) An evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of:
 - (i) Each financial year for which audited cash flow statements have been included in the Prospectus; and
 - (ii) If an interim cash flow statement has been included in the Prospectus, the period covered by the interim cash flow statement.
- (c) The nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the obligor or originator to transfer funds to the obligor or originator in the form of cash dividends, loans or advances and the impact such restrictions have had or are expected to have on the ability of the obligor or originator to meet its cash obligations.
- (d) The level of borrowings as at the end of the most recent completed financial year, or if any interim financial statements have been included, the period covered by the interim financial statements, the extent to which the borrowings are at a fixed rate, and the maturity profile of the borrowings and committed borrowings facility, with a description of any restriction on its use; and
- (e) If the obligor or originator or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the obligor or originator's financial position and results or business operations, or the investments by holders of shares in the obligor or originator:

- (i) A statement of that fact;
 - (ii) Details of the credit arrangement or bank loan; and
 - (iii) Any action taken or to be taken by the obligor or originator or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement if applicable).
- (f) Provide information on the use of any financial instrument for hedging purposes.
- (g) Provide information on any material commitment for capital expenditures as of the latest practicable date and indicate the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment.

26.4. Property, Plant, Equipment and Fixed Assets:

Provide information regarding any material tangible fixed assets of the obligor or originator or the obligor or originator's group, including any leased property, and any major encumbrances thereon. The information provided must include:

- (a) In the case of property, a description of the size and use of the property;
- (b) In the case of a production facility, the productive capacity and extent of utilisation of the facility for each of the 3 most recent completed financial years;
 - (i) How the fixed asset is held;
 - (ii) The products produced; and
 - (iii) The location.
- (c) Describe any regulatory requirements or environmental issues that may materially affect the obligor or originator's utilisation of a tangible fixed asset. With regard to any material plans to construct, expand or improve facilities, describe the nature of and reason for the plan, an estimate of the amount of expenditure, including the amount of expenditures already paid, a description of the method of financing the activity, the estimated start dates and completion of the activity, and the increase of production capacity anticipated after completion.

26.5. Research and Development, Patents and Licenses;

Provide a description of the obligor or originator's research and development policies for the last 3 years, where significant, including the amount spent during each of the last 3 financial years on obligor or originator-sponsored research and development activities and the percentage of the net sales or the revenue of the obligor or originator in each of those years spent on such activities.

26.6. Trend Information

- (a) Discuss, for at least the current financial year, the business and financial prospects and any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services, as well as any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the Prospectus to be not necessarily indicative of the future operating results or financial condition of the obligor or originator. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
- (b) Discuss the state of the order book since the end of the most recent period for which annual or interim financial statements have been provided in the Prospectus. Where such information is not relevant to the business of the obligor or originator, provide an appropriate statement to that effect and the reason for this.
- (c) Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.
- (d) Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors of the obligor or originator have based their profit forecast or profit estimate, as the case may be.
- (e) Where a profit forecast is disclosed, include a statement by an auditor of the obligor or originator as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in (d) above, is consistent with the accounting policies adopted by the obligor or originator, and is presented in accordance with the accounting standards adopted by the obligor or originator in preparation of its financial statements.
- (f) Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the obligor or originator, provide in addition to the statement referred to in (e) above:
 - (i) A statement by the lead manager to the offer, or if different the financial advisor whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors of the obligor or originator after due and careful enquiry and consideration; and
 - (ii) A statement by an auditor of the obligor or originator, prepared on the basis of his examination of the evidence supporting the assumptions referred to in (e) above and in accordance with the International Standards on Auditing (ISA), or such other auditing standards as may be approved in any particular case by the CBB, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

- (g) Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the obligor or originator, provide in addition to the statement referred to in (e) above:
- (i) A statement by the lead manager to the offer, or if different, the financial advisor whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in (e) above, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
 - (ii) A statement by an auditor of the obligor or originator, prepared on the basis of his examination of the evidence supporting the assumptions referred to in (e) above and in accordance with the International Standards on Auditing or such other auditing standards as may be approved in any particular case by the CBB, to the effect that no matter has come to the attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
- (h) If the abovementioned forecasts, estimates, or projections are based on or extracted from projected financial statements already in existence, then such forecasts, estimates or projections shall be provided and dealt with under Section 20 “Projected Financial Statements”.

SECTION 19

Audited Consolidated Financial Statements

27. Without the CBB's prior approval, the obligor or originator's audited consolidated financial statements and interim financial statements required to be included in the Prospectus shall be prepared and provide information in accordance with the International Financial Reporting Standards (IFRS), and shall be audited in accordance with International Standards on Auditing (ISA). The following information shall be provided in the Prospectus in respect of the audited consolidated financial statements and interim financial statements:

27.1. Financial Information

- (a) The obligor or originator or the obligor or originator's group as the case may be, audited financial statements shall be presented for the last 2 financial years and the primary statements, including:
 - (i) The balance sheet,
 - (ii) Income statement,
 - (iii) Cash flow statement; and
 - (iv) Change in shareholders' fund for the last 3 financial years (or a shorter period if the obligor or originator has not been in operation that long), must be included in the Prospectus.
- (b) Where there has been a material change to the obligor or originator, or obligor or originator's entity, or to the obligor or originator's group structure or accounting policies, the financial statements should be restated to show such changes.
- (c) If the last year of audited financial statements are older than 15 months at the time of the registration of the Prospectus, interim period reviewed financial statements, as compared with the same period in the previous financial year, shall also be provided.
- (d) If the financial statements and other financial information are presented in a currency other than Bahraini Dinar (BHD) or United States Dollar (USD), the exchange rate against BHD and /or USD, as well as the inflation rate, shall also be included.

27.2 Audited Consolidated Financial Statements

- (a) The Prospectus must contain audited consolidated financial statements, which should be preceded by an independent auditor's report, comprising of:
 - (i) A balance sheet;
 - (ii) An income statement;

- (iii) A statement showing either (a) changes in debt other than those arising from capital transactions with owners and distributions to owners; or (b) all changes in debt (including a sub-total of all non-owner movements in debt);
 - (iv) A cash flow statement,
 - (v) Related notes and schedules required by the IFRS, pursuant to which the financial statements are prepared; and
 - (vi) If not included in the primary financial statements, a note analysing the changes in each caption of shareholders' debt presented in the balance sheet.
- (b) The Prospectus must include comparative audited financial statements that cover the last 2 financial years.
- (c) The audit report(s) must cover each of the periods for which this Appendix requires audited financial statements. If the auditor have refused to provide a report on the annual accounts, or if the report(s) contain qualifications or disclaimers, such refusal, qualifications or disclaimers shall be reproduced in full and the reasons given, so that the CBB can determine whether or not to accept the financial statements of the Prospectus. An indication of any other information in the Prospectus that has been audited by the auditor should be included.

27.3 Interim Financial Statements

- (a) If the date of submission of the Prospectus is more than 12 months, but less than 15 months after the end of the most recent completed financial year for which audited financial statements were prepared, it should contain consolidated interim financial statements covering at least the first 9 months of the most recent completed financial year.
- (b) If the date of submission of the Prospectus is more than 9 months, but less than 12 months after the end of the most recent completed financial year for which audited financial statements were prepared, it should contain consolidated Interim Financial Statements covering at least the first 6 months of the most recent completed financial year.
- (c) If the date of submission of the Prospectus is more than 6 months, but less than 9 months after the end of the most recent completed financial year for which audited financial statements were prepared, it should contain consolidated Interim Financial Statements covering at least the first 3 months of the most recent completed financial year.
- (d) These statements need not be audited but must be reviewed by an independent auditor and a copy of the auditor's interim review report must be provided in the Prospectus. The Interim Financial Statements should be prepared in accordance with IFRS.
- (e) The interim financial statements provided shall be prepared in a format similar to the format of the audited financial statements provided.
- (f) Include the following in the interim financial statements:

- (i) Comparative figures (other than balance sheet figures) for the same period in the preceding financial year in respect of the obligor or originator, or if the obligor or originator is a holding company, of the group, unless annual financial statements of the obligor or originator or group, as the case may be, have not been provided for the preceding financial year; and
 - (ii) Selected note disclosures that explain any event or change which is significant to the understanding of any change in the financial position and results of the obligor or originator, or if the obligor or originator is a holding company, of the group since the last annual reporting date.
- (g) Include in the Prospectus:
- (i) A report by the auditor of the obligor or originator on the audit of the interim financial statements; or
 - (ii) If the interim financial statements are not audited, a report by the auditor on the review of the interim financial statements.

27.4. Restatement of Financial Statements

Where there have been material changes to the obligor or originator's group structure or accounting policies, certain adjustments or reclassifications to the figures previously reported in the financial statements may be required, if the amounts involved are material. Adjustments are required where necessary, in order for the financial statements to be presented on a consistent and comparable basis. The financial statements for earlier years required in the Prospectus shall be restated or reformatted into a combined presentation, and shall include an audit report to reflect such changes.

27.4.1 If any audited annual financial statements to be provided in the Prospectus under paragraph 27.2 relate to a period other than 12 months due to a change in the financial year end of the obligor or originator or the group, as the case may be, the annual financial statements in respect of that financial year and the financial years preceding that financial year shall be provided on a restated 12-month basis, so that the financial year end of each of the restated financial statements corresponds to the financial year end for the most recent completed financial year.

27.4.2 Where the obligor or originator or any other entity in the group has acquired any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust), the annual financial statements to be provided in the prospectus under paragraph 27.2 shall include such asset, entity, business or business trust only from the date of its acquisition by the obligor or originator or the other entity in the group, as the case may be.

27.4.3 Each of the audited annual financial statements provided in the prospectus under paragraph 27.2 must be:

- (a) Prepared in accordance with IFRS or any other body of accounting accepted by the CBB;
- (b) Where the annual financial statements are not prepared either in accordance with IFRS or any other body of accounting standards accepted by the CBB:
 - (i) Restated in accordance with IFRS;
 - (ii) If no material adjustments are required to restate the audited annual financial statements in accordance with IFRS, accompanied by an opinion from the auditor that this is so; or
 - (iii) Prepared in accordance with such other body of accounting standards accepted by the CBB.

27.4.4 State, in respect of each financial year, the body of accounting standards that was adopted by the obligor or originator in the preparation of the annual financial statements to be provided in the Prospectus under paragraph 27.2 for that financial year, and where the annual financial statements have been restated pursuant to sub-paragraph 27.4.3 (b) (i), the body of accounting standards in accordance with which the underlying financial statements have been restated.

27.4.5 Each of the audited annual financial statements to be provided in the Prospectus under paragraph 27.2, or where the annual financial statements have been restated pursuant to sub-paragraph 27.4.3 (b) (i), the underlying financial statements must be audited in accordance with International Standards on Auditing (ISA).

27.4.6 State, in respect of each financial year, the body of auditing standards that was adopted by the auditor of the obligor or originator in the audit of the annual financial statements to be provided under paragraph 27.2 for that financial year, or where the annual financial statements have been restated pursuant to sub-paragraph 27.4.3 (b) (i), the body of auditing standards that was adopted in the audit of the underlying financial statements.

27.4.7 Where any audited annual financial statements to be provided in the Prospectus under paragraph 27.2 or, if the annual financial statements have been restated pursuant to sub-paragraph 27.4.3 (b) (i), the underlying financial statements are audited in accordance with any body of auditing standards accepted by the CBB, include in the Prospectus as opinion from the auditor of the obligor or originator that there are no material differences between the body of auditing standards adopted in the audit of the annual financial statements or underlying financial statements as the case may be, and the IAS to the extent applicable to the audit of the annual financial statements or underlying financial statements.

27.4.8 Subject to paragraph 27.4.9 below, each of the annual financial statements to be provided under paragraph 27.2 shall be accompanied by:

- (a) The audit report in respect of the annual financial statements or, if the auditor has refused to issue an audit report in respect of the annual financial statements, a statement highlighting and providing the reasons for the auditor's refusal;
- (b) A statement identifying the audit partner who audited the annual financial statements and the membership or memberships of the audit partner in any professional body or bodies; and
- (c) If the audit report in respect of the annual financial statements contains any material qualification, modification or disclaimer, a statement highlighting and providing the reasons for the qualification, modification or disclaimer in the Prospectus.

27.4.9 Where any annual financial statements have been restated pursuant sub-paragraph 27.4.3 (b) (i), state that fact and include in the Prospectus in respect of each of the restated financial statements:

- (a) An opinion from the auditor of the obligor or originator that nothing has come to its attention that causes it to believe that the restated annual financial statements have not been properly restated in all material respects in accordance with the IFRS;
- (b) A statement of reconciliation between the restated annual financial statements and the audited underlying financial statements;
- (c) A statement identifying the audit partner who audited the underlying financial statements and the membership or memberships of the audit partner in any professional body or bodies;
- (d) A statement that the underlying financial statements have been audited in accordance with the IAS;
- (e) Either of the following:
 - (i) A statement that the audit report for the underlying financial statements does not contain any material qualification; or
 - (ii) If the audit report for the underlying financial statements contains any material qualification, modification or disclaimer, a statement setting out in full and providing the reasons for the qualification, modification or disclaimer, as the case may be;
- (f) A statement that the auditor for the underlying financial statements has given, and has not withdrawn, his written consent to the issue of the Prospectus with the inclusion of the statements referred to in sub-paragraphs (c), (d) and (e) above in the form and context in which they are included in the Prospectus; and

- (g) A statement that copies of the audited underlying financial statements are available for inspection at a specified place in Bahrain for a period of at least 6 months from the date of registration of the Prospectus by the CBB.

27.4.10 The annual financial statements to be provided under paragraph 27.2, or where annual financial statements have been restated pursuant to sub-paragraph 27.4.3 (b) (i), the underlying financial statements shall be made up to a date not earlier than 12 months before the date of submission of the Prospectus.

27.5. Pro-Forma Financial Information

27.5.1 Where:

- (a) The obligor or originator, or if the obligor or originator is a holding company, the obligor or originator or any other entity in the group has:
 - (i) Acquired or disposed of any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust); or
 - (ii) Entered into any agreement to acquire or dispose of any asset or any entity, business or business trust (whether or not that entity, business or business trust is a common control entity, common control business or common control business trust),

during the period between the beginning of the most recent completed financial year and the date of registration of the Prospectus by the CBB and:

- (A) The net book value, or the absolute amount of the profit or loss before tax, of that asset, entity, business or business trust has or would have accounted for 10% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the obligor or originator or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or
- (B) The total net book value, or the total absolute amount of the profit or loss before tax, of all of those assets, entities, businesses and business trusts together have or would have accounted for 20% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the obligor or originator or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or

- (b) Any significant change to the capital structure (including any material distribution) of the obligor or originator, or if the obligor or originator is a holding company, of the obligor or originator or of any other entity or any business trust in the group, has occurred during the period between the end of the most recent completed financial year and the date of registration of the Prospectus by the CBB, provide pro forma financial statements for the most recent completed financial year and, if interim financial statements of the obligor or originator or of the group have been included in the Prospectus, for the period covered by the interim financial statements.

27.5.2 The pro forma profit and loss statement and pro forma cash flow statement shall be prepared:

- (a) For the most recent completed financial year; and
- (b) Where any interim financial statements have been provided under paragraph 27.3 above, for the period covered by the interim financial statements, as if the acquisition, disposal or significant change had occurred at the beginning of the most recent completed financial year.

27.5.3 The pro forma balance sheet shall be prepared:

- (a) As at the end of the most recent completed financial year as if the acquisition, disposal or significant change had occurred at the end of that financial year; and
- (b) Where any interim financial statements have been provided under paragraph 27.3 above, as at the end of the period covered by the interim financial statements, as if the acquisition, disposal or significant change had occurred at the end of the period.

27.5.4 Where the pro forma profit and loss statement, cash flow statement or balance sheet in respect of the most recent completed financial year or, where any interim financial statements have been provided under paragraph 27.3 above, in respect of the period covered by the interim financial statements, is the same, in all material respects, as the audited annual or interim profit and loss statement, cash flow statement or balance sheet of the obligor or originator, or the audited annual or interim consolidated profit and loss statement, cash flow statement or balance sheet of the obligor or originator, or the audited annual or interim combined profit and loss statement, cash flow statement or balance sheet of the group, as the case may be, which has been included in the Prospectus, the pro forma profit and loss statement, cash flow statement or balance sheet, as the case may be, for that financial year or period need not be provided.

27.5.5 In respect of the pro forma financial statements required under paragraph 27.5.1 above, state:

- (a) That they are prepared for illustrative purposes only and are based on certain assumptions, after making certain adjustments, to show:
 - (i) what the financial results and cash flows of the obligor or originator or the group, as the case may be, for the most recent completed financial year and, where applicable, the period covered by the interim financial statements would have been, if the acquisition, disposal or significant change had occurred at the beginning of that financial year or period; and
 - (ii) what the financial position of the obligor or originator or the group, as the case may be, would have been:
 - (A) As at the end of the most recent completed financial year, if the acquisition, disposal or significant change had occurred at the end of that financial year; and
 - (B) Where applicable, as at the end of the period covered by the interim financial statements, if the acquisition, disposal or significant change had occurred at the end of that period,
- (b) That because of their nature, they may not give a true picture of the actual financial position or results of the obligor or originator or the group, as the case may be;
- (c) The basis upon which they are prepared, including the source of each item of information; and
- (d) Any material adjustment made to any information used in the preparation of the pro forma financial statements and the reason for making that adjustment.

27.5.6 Where pro forma financial statements have been provided for any reason referred to in paragraph 27.5.1 (a) of this Section, with respect to the pro forma financial statements:

- (a) Identify each asset, entity, business or business trust referred to in sub-paragraphs 27.5.1 (a) (i) and (ii) of this Section;
- (b) Provide a statement that the pro forma financial statements included in the Prospectus have been properly prepared from financial statements relating to:
 - (i) The assets, entities, businesses and business trusts in the group; and
 - (ii) The assets, entities, businesses and business trusts referred to in sub-paragraphs 27.5.1 (a) (i) and (ii) of this Section;
- (c) Provide a statement:
 - (i) That the financial statements relating to the assets, entities, businesses and business trusts referred to in sub-paragraphs 27.5.1 (a) (i) and (ii) of this Section (each being an asset, an entity, a business or a business trust which has been or will be acquired by the obligor or originator or any other entity in the group) which were used in the preparation of the pro forma financial statements were prepared in accordance with the IFRS; or

- (ii) Where the financial statements relating to any asset, entity, business or business trust referred to in sub-paragraphs 27.5.1 (a) (i) and (ii) of this Section (being an asset, an entity, a business or a business trust which has been or will be acquired by the obligor or originator or any other entity in the group) which were used in the preparation of the pro forma financial statements were not prepared in accordance with the IFRS, in respect of each such asset, entity, business or business trust:
 - (A) That the financial statements relating to that asset, entity, business or business trust were restated in accordance with the IFRS;
 - (B) That the financial statements relating to that asset, entity, business or business trust were prepared in accordance with such other equivalent body of accounting standards as may be approved in any particular case by the CBB; or
 - (C) If no material adjustments are required to restate the financial statements relating to that asset, entity, business or business trust in accordance with the IFRS, that no material adjustments would be required to restate those financial statements to be in accordance with the IFRS,

and that the financial statements relating to all other assets, entities, businesses and business trusts referred to in sub-paragraphs 27.5.1 (a) (i) and (ii) of this Section (each being an asset, an entity, a business or a business trust which has been or will be acquired by the obligor or originator or any other entity in the group) which were used in the preparation of the pro forma financial statements were prepared in accordance with the IFRS;

- (d) State, in respect of each of the financial statements relating to the assets, entities, businesses and business trusts referred to in sub-paragraphs 27.5.1 (a) (i) and (ii) of this Section (each being an asset, an entity, a business or a business trust which has been or will be acquired by the obligor or originator or any other entity in the group) which were used in the preparation of the pro forma financial statements, that the IFRS was adopted in the preparation of the financial statements, and where the financial statements have been restated in pursuant to sub-paragraph (c) (ii) (A) above, the financial statements have been restated in accordance with the IFRS.

27.5.7 In respect of each of the financial statements relating to the assets, entities, businesses and business trusts referred to in sub-paragraphs 27.5.1 (a) (i) and (ii) of this Section (each being an asset, an entity, a business or a business trust which has been or will be acquired by the obligor or originator or any other entity in the group) which are used in the preparation of the pro forma financial statements, state whether or not the financial statements are audited.

- 27.5.8 In respect of each of the audited financial statements relating to the assets, entities, businesses and business trusts referred to in sub-paragraphs 27.5.1 (a) (i) and (ii) of this Section (each being an asset, an entity, a business or a business trust which has been or will be acquired by the obligor or originator or any other entity in the group) which are used in the preparation of the pro forma financial statements:
- (a) State that International Standards on Auditing (ISA) were adopted by the auditor in the audit of the financial statements; and
 - (b) Provide a statement identifying the audit partner who audited the financial statements, together with the membership or memberships of the audit partner in a professional body.
- 27.5.9 Include in the Prospectus:
- (a) A statement that the audit reports for the financial statements referred to in paragraph 27.5.8 of this Section do not contain any material qualification; or
 - (b) If any of those audit reports contains any material qualification, modification or disclaimer, a statement:
 - (i) Setting out in full the qualification, modification or disclaimer; and
 - (ii) Providing the reason for the qualification, modification or disclaimer.
- 27.5.10 Include in the Prospectus, an opinion from the auditor of the obligor or originator that:
- (a) The pro forma financial statements have been properly prepared:
 - (i) On the basis referred to in paragraph 27.5.5 (c) of this Section; and
 - (ii) Where the pro forma financial statements have been provided for any reason referred to in paragraph 27.5.1 (a) of this Section, in accordance with the matters referred to in the statements under sub-paragraphs 27.5.6 (b) and (c) of this Section; and
 - (b) Each material adjustment made to the information used in the preparation of the pro forma financial statements is appropriate for the purpose of preparing such financial statements and in accordance with the IFRS.
- 27.5.11 The pro forma financial statements to be provided under paragraph 27.5.1 of this Section shall:
- (a) In the case of annual financial statements, be made up to the date to which the audited financial statements of the obligor or originator or the group for the most recent completed financial year have been made up; and
 - (b) In the case of interim financial statements, be made up to the date to which the interim financial statements of the obligor or originator or the group have been made up.

27.5.12 If the date of submission of the Prospectus is less than 3 months after the end of the most recent completed financial year:

- (a) The pro forma financial statements for the most recent completed financial year need not be provided under paragraph 27.5.1 of this Section; and
- (b) The reference to the most recent completed financial year in paragraphs 27.5.1 to 27.5.5 and 27.5.11 shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

27.6. Subsidiary's Separate Financial Statements

For better and adequate presentation of the obligor or originator's financial condition, or where necessary for the protection of the investor, separate financial information of an acquired subsidiary, SPVs, off-balance sheet assets or businesses, or where the acquirer has a controlling interest of 20% or more, which is not held for resale and which is not consolidated in the financial statements of the obligor or originator, a brief summary about such entities shall be provided in the Prospectus, including the amount and percentage of the obligor or originator's holding, in addition to the financial statements of such entities being made available for inspection.

27.7 Change in Accounting Policies

Where there has been any material change to the obligor or originator's accounting policies, provide a summary of the material change and the reason for and quantitative impact of such change on the financial results of the obligor or originator or, if the obligor or originator is a holding company, of the group for each of the 3 most recent completed financial years. If the date of submission of the Prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the 3 most recent completed financial years in this paragraph shall be a reference to the 3 most recent completed financial years immediately preceding the most recent completed financial year.

27.8 Material Changes

Disclose any event (other than any matter disclosed under paragraph 27.5.1) that has occurred from the end of the period covered by the most recent financial statements included in the Prospectus (whether such financial statements are annual financial statements or interim financial statements) to the latest practicable date which may have a material effect on the financial position and results of the obligor or originator or, where the obligor or originator is a holding company, the group or, if there is no such event, provide an appropriate negative statement.

27.9. Disputes, Legal Proceedings and Litigations

Provide information on any litigations, legal or arbitration proceedings, including those relating to money laundering, financial crimes, bankruptcy, receivership or similar proceedings, and any material dispute those involving any third party, which are expected to have, or have had in the last 12 months immediately preceding the date of submission of the Prospectus, material effects on the obligor or originator's financial position or profitability. This includes governmental proceedings pending, or known to be contemplated.

27.10. Distributions and Dividends

27.10.1 Disclose the amount of dividends per share, if any, paid by the obligor or originator in respect of each class of shares for each of the 3 most recent completed financial years, giving particulars of each such class of shares and of any case in which no dividends have been paid in respect of any class of shares for any of those years.

27.10.2 Describe the obligor or originator's dividend policy or, if it does not have a fixed policy, state so.

27.11 Secured Debt Securities

27.11.1 Provide, in relation to an offer of secured asset-backed securities, a summary by the auditor of the issuer showing in tabular form:

- (a) The aggregate value of the tangible assets owned by the obligor or originator;
- (b) The aggregate value of the tangible assets owned by each, or jointly owned by 2 or more, of its guarantor entities; and
- (c) The aggregate value of the tangible assets jointly owned by the obligor or originator and one or more of its guarantor entities,

which have been charged to secure the repayment of all or any moneys payable in respect of the secured asset-backed securities, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

27.11.2 Show also, in the summary:

- (a) The amounts outstanding of the aggregate amounts borrowed by the obligor or originator and by each of its guarantor entities, distinguishing between those amounts outstanding which will rank for repayment in priority to the amount under the proposed issue and those amounts outstanding which will rank for repayment *pari passu* with the amount under the proposed issue;

- (b) Where any charge is for a liability the amount of which may vary from time-to-time, the actual amount of the liability as at the date on which the summary is made and any further amount which may be advanced under that charge; and
- (c) The aggregate amount of advances by the obligor or originator to related corporations or related entities of the obligor or originator, distinguishing between advances which are secured and advances which are unsecured.

27.11.3 The auditor of the obligor or originator may explain or qualify, by way of notes or otherwise, any of the matters set out in the summary.

27.11.4 Where the tangible assets referred to above are in the form of property, provide information on a report of the valuation of the interest of the obligor or originator and of each of its guarantor entities in each property charged, showing the nature and extent of the interest of the obligor or originator and of each of its guarantor entities, such report to be made not more than 6 months before the date of submission of the Prospectus by an independent qualified valuer.

SECTION 20

Projected Financial Statements

28. For the purpose of this Module, the projected financial statements mean projected or estimated financial statements including a balance sheet, income statement and cash flow statement that attempt to present a reasonably accurate idea of what a firm's financial situation would be if the present trends continue or certain assumptions hold true. Pro forma statements are used routinely in preparing 'what if' scenarios, formulating business plans, estimating cash requirements, or when submitting financing proposals.

The projected financial statements shall be distinguished from any forecasts, estimates or projections in respect of profit or sales that might be provided and dealt with under paragraph 26.6 "Trend Information".

- 28.1 The projected financial statements for future 3 financial years must be included in the Prospectus for any new business venture, small and medium enterprises and start-up. In venture capital parlance, start-up is the earliest stage at which a venture capital investor or investment pool will provide funds to an enterprise, usually on the basis of a business plan detailing the background of the management group along with market and financial projections. The projected financial statements and other contents of the Prospectus for such businesses shall be reproduced in accordance with the obligor or originator's future business plan approved by the relevant authorised body within the obligor or originator, or obligor or originator's group.
- 28.2 For the obligors or originators who have historical financial statements and track records, the projected financial statements are not mandatory for inclusion in the Prospectus.
- 28.3 The projected financial statements disclosed in the Prospectus have to be adequately justified, examined and reported on by an independent auditor, reporting accountant, expert, or accountants, whose profession or reputation gives authority to the statement made by him.
- 28.4 The auditor's report prepared on the basis of his examination of the evidence supporting the assumptions used by the obligor or originator, directors or management, or any other person involved in the preparation of the projected financial statements, in accordance with the International Standards on Assurance and Engagement, or other such international standards as may be accepted in any particular case by the CBB from time-to-time.

- 28.5 The auditor or the accountant shall include in his report that no matter has come to the attention which gives him reason to believe that the assumptions used do not provide reasonable grounds for the projected financial statements, or any part thereof.
- 28.6 The auditor or the accountant shall withdraw his consent at any time during the validity of the Prospectus and shall immediately notify the CBB when he believes or it has come to his attention that there are some matters which gives him reason to believe that the assumptions used cannot provide reasonable grounds for the projected financial statements, due to any facts, evidence or change in the condition or circumstances at the time of preparation of the projected financial statements.

SECTION 21

Offering and Listing

29.1 Offer Details:

- (a) Indicate the issue premium or discount at which the asset-backed securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser.
- (b) Indicate whether the asset-backed securities being offered are in registered or bearer form.
- (c) Describe the arrangement for transfer and any restriction on the free transferability of the asset-backed securities being offer.

29.2 Listing Details

- (a) If the offer is, or planned to be listed on other regulated exchanges, state the name of any other stock exchange(s) on which the issuer's securities (debt or asset-backed) are listed, or are planned to be listed. Indicate the stock exchange(s) where the issuer will have its primary listing. Indicate the trading, clearing and settlement arrangements between such exchanges.
- (b) Indicate the price at which the asset-backed securities will be offered, or the method for determining the price and the amount of any expenses specifically charged to the subscriber or purchaser.
- (c) If there is no established market for the securities, the document shall contain information regarding the manner of determination of the offering price, as well as of the exercise price of warrants, and the conversion price of convertible securities, including identifying the persons who established the price, or who is formally responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for establishing the price.
- (d) If the issuer's shareholders or any part thereof have pre-emptive purchase rights and where the exercise of the right of pre-emption of shareholders is restricted, withdrawn, or waived, the issuer shall indicate the basis for the issue price, if the issue is for cash, together with the reasons for such restriction, withdrawal or waiver and the beneficiaries of such restriction, withdrawal, or waiver if intended to benefit specific persons.
- (e) Information regarding the price history where available, of the security to be offered or listed shall be disclosed as follows:
 - (i) For at least the last 3 most recent financial years: the annual highest and lowest closing prices;

- (ii) For the last most recent financial year and any subsequent period: the highest and lowest closing prices for each full financial quarter;
- (iii) For the last 6 months: the highest and lowest closing prices for each month;
- (iv) For pre-emptive issues, the closing prices for the first trading day in the last 6 months, for the last trading day before the announcement of the offering, and (if different) for the latest practicable date prior to publication of the document.

If the security is listed on another regulated exchange(s) the abovementioned information shall be provided separately.

- (f) Information shall be given with respect to the closing price on the exchanges mentioned above, and the principal trading market in other exchange(s). If any trading suspensions occurred in the previous 3 years, these should also be disclosed. If the securities are not regularly traded in an organised market, information must be given about any lack of liquidity.
- (g) State the type and class of the securities being offered or listed, and provide the following information:
 - (i) In the case of shares, provide the number of shares to be issued and made available to the market for each type of share. The nominal par or equivalent value should be given on a per share basis, and where applicable, a statement of the minimum offer price. Describe the coupons attached, if applicable;
 - (ii) Describe arrangements for transfer and any restrictions on the free transferability of the shares.
- (h) If the rights evidenced by the securities being offered or listed are, or may be materially limited or qualified by the rights evidenced by any other class of securities, or by the provisions of any contract or other documents, include this information and its effect on the rights evidenced by the securities to be offered or listed.
- (i) With respect to securities other than common or ordinary shares to be offered or listed, outline briefly the rights evidenced thereby as follows:
 - (i) If subscription warrants or rights are to be offered or listed, state the title and amount of securities called for; the amount of warrants or rights outstanding; provisions for changes to or adjustments in the exercise price; the period during which and the price at which the warrants or rights are exercisable; and any other material terms of such warrants or rights.
 - (ii) Where convertible securities or stock purchase warrants to be offered or listed are subject to redemption or call, the description of the conversion terms of the securities or material terms of the warrants should include whether the right to convert or purchase the securities will be forfeited, unless it is exercised before the date specified in the notice of redemption or call; the expiration or termination date of the warrants; the kind, frequency and timing of notice of the redemption or call, including where the notice will be published.

29.3 Plan of Distribution

- (a) Provide the names and addresses of underwriters.
- (b) Indicate whether major shareholders, directors or members of the issuer's management, supervisory or administrative bodies intend to subscribe to the offering, or whether any person intends to subscribe to 5% or more of the offering.
- (c) Identify any group of targeted potential investors to whom the securities are offered. If the offering is being made simultaneously in the markets of two or more countries and if a tranche has been, or is being reserved for certain of these, indicate any such tranche.
- (d) If securities are reserved for allocation to any group of targeted investors, including offerings to existing shareholders, directors, or employees and past employees of the issuer or its subsidiaries, provide details of these and any other preferential allocation arrangements.
- (e) Indicate whether the amount of the offering could be increased, such as by the exercise of an underwriter's over-allotment option or "greenshoe", and by how much.
- (f) Indicate the amount, and briefly outline the plan of distribution of any securities that are to be offered other than through underwriters. If the securities are to be offered through the selling efforts of the lead manager, describe the plan of distribution and the terms of any agreement or understanding with such entities. If the offer is not fully underwritten, identify the lead manager or co-lead manager that will participate in the offering and state the amount to be offered through each.
- (g) If the securities are to be offered in connection with the writing of exchange-traded call options, briefly describe such transactions.
- (h) If simultaneously, or almost simultaneously, with the creation of shares for which admission to official listing is being sought, shares of the same class are subscribed for or privately placed, or if shares of other classes are created for public or private placing, provide details of the nature of such operations and of the number and characteristics of the shares to which they relate, particularly in respect of the issuer's holding company, subsidiaries, associates, or any other related party, or major shareholders.
- (i) Unless otherwise described under the response to the requirement of Material Contracts, describe the features of the underwriting relationship, together with the amount of securities being underwritten by each underwriter in accordance with the terms of contract with the issuer or selling shareholders. The foregoing information should include a statement as to whether the underwriters are, or will be committed to take and pay for all of the securities, if any are taken, or whether it is an agency or the type of "best efforts" arrangement, under which the underwriters are required to take and pay for only such securities as they may sell to the public.
- (j) Describe the nature and terms of any relationship, other than those in the ordinary course of business, with any underwriters or other financial advisors

29.4 Expenses of the Issue

The following information shall be provided:

- (a) The total amount of discount or commission agreed upon by the underwriters, lead manager or selling agents and the issuer or selling shareholders, as well as the percentage such commissions represent of the total amount of the offering, and the amount of discounts or commissions per share.
- (b) Provide the amount and percentage of any fees, charges, commission or any expenses incurred in connection with the issuance and distribution of the securities to be listed or offered, and by whom the expenses are payable, if other than the issuer. If any of the securities are to be offered for the account of a selling shareholder, indicate the portion of such expenses to be borne by him. 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.

SECTION 22

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 securities 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;
- (iii) Period during which such application needs to be submitted;
- (iv) Name and type of identity documents required for each applicant;
- (v) Right of the receiving bank to verify identification documents;
- (vi) The requirement to have an account with the securities depositories;
- (vii) Right and conditions to represent minors.

(c) Subscription restrictions:

Provide information on:

- (i) Whether the issuer has any restriction regarding the ownership of its asset-backed securities whether by nationality, or by category of applicant;
- (ii) Title evidence and depository arrangements made with clearing houses or depository institutions;
- (iii) Any other restrictions that the offer, ownership of the issuer's securities, 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;
- (iv) 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 asset-backed securities;
- (iii) If applicable, provide the allotment basis for each category of applicant;
- (iv) If different from the allotment basis declared in the Prospectus, provide information about the regulatory approval on the allotment;
- (v) Allotment announcement date to declare the outcome of the subscription in terms of total subscription as compared with the total number of offered asset-backed securities;

- (vi) Notifying the date of refunding and dispatching of asset-backed securities title and excess subscription funds in the abovementioned public announcement;
- (vii) If applicable, date of resuming the trade on the asset-backed securities offered.

(i) Dispatching and refunds:

Provide information on:

- (i) The date in which the applicants will receive their asset-backed securities title and excess amount of subscription, if any;
- (ii) The address where the applicants can collect the title of allotted asset-backed securities 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 23

Additional Information

31. Provide the following information:

31.1 Capital Structure

The following information shall be given as of the date of the most recent balance sheet included in the financial statements, and as of the latest practicable date:

- (a) The amount of issued capital and, for each class of share capital:
 - (i) The number of shares authorised;
 - (ii) The number of shares issued and fully paid-up and issued but not fully paid-up;
 - (iii) The par value per share and
 - (iv) A reconciliation of the number of shares outstanding at the beginning and end of the year.
- (b) If more than 10% of capital has been paid for with assets other than cash within the past 5 years that fact should be stated.
- (c) If there are shares not representing capital, the number and main characteristics of such shares shall be stated.
- (d) Indicate the number, book value and face value of shares in the obligor or originator, held by the obligor or originator directly or indirectly, or by subsidiaries of the obligor or originator.
- (e) Where there is authorised but unissued capital, or an undertaking to increase the capital in connection with warrants, convertible obligations or other outstanding debt-linked securities, or subscription rights granted, indicate:
 - (i) The amount of outstanding debt-linked securities and of such authorised capital or capital increase and, where appropriate, the duration of the authorisation;
 - (ii) The categories of persons having preferential subscription rights for such additional portions of capital; and
 - (iii) The terms, arrangements and procedures for the share issue corresponding to such portions.
- (f) The persons to whom any capital of the obligor or originator is under option, or agreed conditionally or unconditionally to be put under option, including the title and amount of securities covered by the options; the exercise price; the purchase price, if any and the expiration date of the options. Where options have been granted, or agreed to be granted to all the holders of shares or asset-backed securities, or of any class thereof, or to employees under an employees' share scheme, it will be sufficient so far as the names are concerned, to record that fact without giving names.

- (g) A history of share capital for the last 3 years, identifying the events during that period which have changed the amount of issued capital and/or the number and classes of shares of which it is composed, together with a description of changes in voting rights, attached to the various classes of shares during that time. If there is any share capital issued for consideration other than cash, details on the price and terms of such issue (including information regarding discounts, special terms or instalment payments) should be given. If there are no such issues, an appropriately worded statement must be made. The reason for any reduction of the amount of capital and the ratio of capital reductions shall also be given.

31.2 Memorandum and Articles of Association

A copy of the Memorandum and Articles of Association, or constituent documents should be incorporated by reference in the Prospectus.

The following information shall be provided:

- (a) With respect to directors, provide a summary of any provisions of the obligor or originator's Articles of Association, or charter and by-laws with respect to:
 - (i) A director's power to vote on a proposal, arrangement or contract in which the director is materially interested;
 - (ii) The directors' power, in the absence of an independent quorum to vote for compensation to themselves, or any members of their body;
 - (iii) Borrowing powers exercisable by the directors, and how such borrowing powers can be varied;
 - (iv) Retirement or non-retirement of directors under an age limit requirement; and
 - (v) Number of shares, if any, required for the director's qualification.
- (b) Describe the rights, preferences and restrictions attached to each class of shares, including:
 - (i) Dividend rights, including the time limit after which dividend entitlement lapses and an indication of the party in whose favour this entitlement operates;
 - (ii) Voting rights, including whether directors stand for re-election at staggered intervals, and the impact of that arrangement where cumulative voting is permitted or required;
 - (iii) Rights to share in the obligor or originator's profits;
 - (iv) Rights to share in any surplus in the event of liquidation;
 - (v) Redemption provisions;
 - (vi) Sinking fund provisions;
 - (vii) Liability to further capital calls by the obligor or originator; and
 - (viii) Any provision discriminating against any existing or prospective holder of such securities as a result of such shareholder owning a substantial number of shares.

- (c) Describe what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.
- (d) Describe the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are convened, including the conditions of admission.
- (e) Describe any limitations on rights to own securities, including the rights of foreign shareholders to hold, or exercise voting rights on the securities imposed by foreign law, or by the charter or other constituent document of the obligor or originator or state that there are no such limitations if that is the case.
- (f) Describe the limitations, if any, on voting power in annual general meetings of shareholders, including such limitations on the voting power of brokerage firms, nominees, portfolio managers and any other person who holds or manages the portfolios on behalf of others.
- (g) Describe briefly any provision of the obligor or originator's Articles of Association that would have the effect of delaying, deferring or preventing a change in control of the obligor or originator or that would operate only with respect to a merger, acquisition, or corporate restructuring involving the obligor or originator (or any of its subsidiaries).
- (h) Describe provision in the Articles of Association, if any, governing the ownership threshold above which shareholder ownership must be disclosed.
- (i) With respect to paragraphs 31.1.1 through 31.1.8 above, if the law applicable to the obligor or originator in these areas is significantly different from that in the Kingdom of Bahrain, the effect of the law in these areas should be explained.
- (j) Describe the conditions imposed by the Memorandum and Articles of Association governing changes in the capital, where such conditions are more stringent than is required by law.

31.3 Material Contracts

Provide a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the obligor or originator or if the obligor or originator is the holding company of a group, any member of the group is a party, for the period of 2 years before the date of submission of the Prospectus, including parties to the contract, the dates and general nature of the contract, terms and conditions and the amount of any consideration passing to or from the obligor or originator, or any other member of the group, as the case may be.

31.4 Exchange Controls

Describe any governmental law, decree or regulatory requirement or any other requirement which may affect the repatriation of capital and the remittance of profits by or to the obligor or originator. Also, explain how they would impact on the availability of cash and cash equivalents for use by the obligor or originator and the remittance of dividends, interest or other payments to shareholders of the obligor or originator.

31.5 Taxation

The obligor or originator shall provide information regarding taxes (including withholding provisions) to which shareholders in Bahrain and in the host country(s) may be subject. Information should be included as to whether the obligor or originator assumes responsibility for the withholding of tax at source and regarding applicable provisions of any reciprocal tax treaties between the home country and the host countries or a statement, if applicable, that there are no such treaties.

31.6 Dividends

Disclose any dividend restrictions, the date on which the entitlement to dividends arises, if known, and any procedures for non-resident holders to claim dividends. Identify the financial organisations, which at the time of admission of shares to the official listing are the paying agents of the obligor or originator in the countries where admission has taken place, or is expected to take place.

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.

31.8 Subsidiary Information

Information relating to the obligor or originator's subsidiaries eligible for consolidation under IAS must be provided, if such information is not otherwise called for by the International Accounting Standards used in preparing the financial statements.

- (a) Provide information in respect of the matters mentioned below, relating to unconsolidated subsidiaries that are not held for resale and that are likely to have a significant effect on the assessment of the obligor or originator's own assets and liabilities, financial position or profits and losses:
 - (i) The name and address of the registered office;
 - (ii) The principal activities;
 - (iii) The proportion of capital held;
 - (iv) The issued capital;
 - (v) The reserves;
 - (vi) The profit or loss arising out of ordinary activities after tax (if any), for the last 3 financial years,
 - (vii) The value at which the obligor or originator shows in its accounts the interest held;
 - (viii) Any amount still to be paid up on shares held;
 - (ix) The amount of dividends received in the course of the last 3 financial years in respect of shares held; and
 - (x) The amount of the debts owed to and by the obligor or originator, with regard to the undertaking.

- (b) The items of information listed above must be given in any event, for every undertaking in which the obligor or originator has a direct or indirect participating interest, if the book value of that participating interest represents at least 20% of the consolidated net assets (or capital and reserves of the company's own accounts, if required to be provided), or accounts for at least 20% of the consolidated net profit or loss of the group (or the obligor or originator's own accounts, if required to be provided). The information required by sub-paragraphs (v) and (vi) above may be omitted where the undertaking in which a participating interest is held does not publish annual accounts.

- (c) With the permission of the CBB, the information required by sub-paragraphs (iv) to (ix) above may be omitted if the annual accounts of the undertakings in which the participating interests are held are consolidated into the group's annual accounts, or if the value attributable to the interest under the debt method or its fair value evaluation is disclosed in the annual accounts, provided that the omission of the information is not likely to mislead the public with regard to the facts and circumstances, knowledge of which is essential for the assessment of the security in question. With the permission of the CBB, the information provided for under sub-paragraphs (vii) and (x) may be omitted, if such omission does not mislead investors.
- (d) Provide individual details relating to the undertakings not referred to in paragraph 31.8.1 above, in which the obligor or originator holds at least 20% of the share capital. The name and registered office of the undertaking and the proportion of the capital held may be omitted when they are of negligible importance.
- (e) When the document includes consolidated annual financial statements, provide disclosure:
 - a) Of the consolidation principles applied (which must be described in detail); where such principles are not consistent with International Financial Reporting Standards;
 - b) Of the names and registered offices of the undertakings included in the consolidation, and where this information is important for the purpose of assessing the assets and liabilities, the financial position and the profits and losses of the obligor or originator. It is sufficient to distinguish them by a symbol in the list of undertakings of which details are required in paragraph 31.8.1 above; and
 - c) for each of the undertakings referred to in paragraph 31.8.5 above:
 - (i) The total proportion of third-party interest, if annual accounts are wholly consolidated;
 - (ii) The proportion of the consolidation calculated on the basis of interests, if consolidation has been effected on a pro rata basis.

31.9 Covenants

State the particulars of any significant covenant of the obligor or originator concerning capital increases.

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.

SECTION 24

Additional Information Required for Asset-backed Securities Issuance Programme

32. Any Prospectus for the asset-backed securities issuance programme must contain all the information required in the Prospectus under this Appendix (which shall be, in this case referred to as the Base Prospectus), subject to the following additions and exceptions.
- 32.1 The Base Prospectus for the asset-backed securities issuance programme must contain the following additional information:
- (a) The maximum amount of asset-backed securities to be offered under the programme;
 - (b) The terms and conditions applicable to all offers under the programme;
 - (c) The duration of the programme;
 - (d) A statement that the documents available for inspection under Section 23 below, are available for inspection throughout the duration of the programme; and
 - (e) A statement that the Base Prospectus, as well as any supplementary Base Prospectus in respect of the programme issued since the Base Prospectus was published, are available for inspection for as long as offers are made under the programme.
- 32.2 If the Base Prospectus does not contain any information referred to in:
- (a) Paragraph 6 (ii) of Section 1 of this Appendix in respect of the maturity date;
 - (b) Paragraph 6 (vi) to (xiv) of Section 1 of this Appendix in respect of appointed advisors;
 - (c) Paragraph 16.1 of Section 8 of this Appendix in respect of summary Prospectus;
 - (d) Paragraphs 17.1 and 17.2 of Section 9 of this Appendix in respect of offering statistics;
 - (e) Paragraph 18.3 of this Appendix in respect of principal terms and conditions under Section 10 on Key Information;
 - (f) Paragraphs 19.1.1 to 19.1.6 of Section 11 of this Appendix in respect of characteristics of underlying assets;
 - (g) Paragraphs 29.1 to 29.3 of Section 21 of this Appendix in respect of offering and listing;
- it must contain a prominent statement that such information shall be published from time-to-time by way of a pricing statement in relation to each offer under the programme.
- 32.3 The reference to 6 months after the date of registration of the Prospectus in paragraph 4 of Section 1 of this Appendix shall be read as a reference to 24 months after that date.

- 32.4 If the Base Prospectus does not contain any of the information referred to in paragraph 32.2 above, the pricing statement for each offer under the asset-backed securities issuance programme must contain that information as well as the following statements:
- (a) “This offer is made on the basis of information contained in this statement as well as in the Base Prospectus and supplementary Base Prospectus or Prospectuses, if any, in respect of the programme.”;
 - (b) “Copies of the Base Prospectus and supplementary Base Prospectus or Prospectuses, if any, and this statement are available for collection at the times and places specified in this statement.”; and
 - (c) “A copy of this statement has been submitted with and registered by the Central Bank of Bahrain (the “CBB”) together with the Base Prospectus. The CBB assumes no responsibility for the contents of this statement. Registration of this statement together with the Base Prospectus with the CBB does not imply that the CBB Law, or any other legal or regulatory requirements, have been complied with. The CBB has not, in any way, considered the merits of the Sukuk or asset-backed securities being offered as an investment”, which should be stated in the same location on the front cover of the Base Prospectus.
- 32.5 The issuers, obligors or originators’ board of directors’ responsibility statement shall be stated on the pricing stating with the same wording and same location as stated under Section 2 in the Base Prospectus.
- 32.6 The contents of the pricing statement for each offer under the asset-backed securities issuance programme, when read together with the Base Prospectus and any supplementary Base Prospectus, must contain the material terms and conditions of the offer to which it relates.
- 32.7 The pricing statement for any offer under the asset-backed securities issuance programme must not contain any information other than:
- (a) Information specified in paragraphs 32.2 and 32.4 of this Appendix;
 - (b) Information already contained in the Base Prospectus or any supplementary Base Prospectus;
 - (c) An elaboration of information on the use of proceeds contained in the Base Prospectus or any supplementary Base Prospectus;
 - (d) Information on additional risk factors and investment considerations that are specific and relevant only to that particular offer of asset-backed securities, which had materially affected, or could materially affect, directly or indirectly, the value of the underlying assets or the investments held by holders of the asset-backed securities; and
 - (e) Other information permitted by the CBB which is specific and relevant only to that particular offer.

SECTION 25

Documents Available for Inspection

33. The Prospectus shall provide the date, time and address in Bahrain 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 simultaneously with the public offering or listing. 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.
- 33.1 The following documents, or copies thereof, where applicable, include:
- (a) Any trust deed, fiscal agency agreement or other document constituting the asset-backed securities;
 - (b) The servicing agreement referred to in paragraph 20.3 of Section 12 of this Appendix;
 - (c) The Memorandum and Articles of Association or constituent documents of the issuer;
 - (d) Every material contract referred to in the Prospectus, or where the contract is not reduced into writing, a memorandum giving full particulars thereof;
 - (e) The Directors' service contracts referred to in the Prospectus;
 - (f) Every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the Prospectus;
 - (g) If the issuer is not the holding company of a group, the audited financial statements of the issuer for each of the financial years for which audited financial statements of the issuer have been included in the Prospectus;
 - (h) If the issuer is the holding company of a group, the respective audited financial statements of the entities, businesses or business trusts in the group (being entities, businesses or business trusts which have audited financial statements) for each of the financial years for which audited financial statements of the issuer have been included in the Prospectus;
 - (i) If the issuer is the holding company of a pro forma group and pro forma financial statements have been included in the Prospectus, the respective audited financial statements of the entities, businesses or business trusts in the pro forma group (being entities, businesses or business trusts which have audited financial statements), other than the entities, business or business trusts referred to in (f) above, for the financial year in respect of which pro forma financial statements have been included in the Prospectus;
 - (j) Any interim financial statements of the issuer, group or pro forma group, as the case may be, which are included in the Prospectus;

- (k) In the case of a corporation incorporated in Bahrain, all notes, reports or information relating to the financial statements referred to in (e), (f), (g) and (h) which are required to be prepared under the CBB Law;
- (l) Where the financial statements referred to have been restated pursuant to paragraph 27.4 of Section 19 of this Appendix, the restated annual financial statements and the audited annual financial statements which form the basis for the restated annual financial statements;
- (m) The restated annual financial statements and the audited annual financial statements which form the basis for the restated annual financial statements; and
- (n) In the case of a guaranteed asset-backed securities issue, documents (or copies thereof) referred to in Section 11 of the guarantor entity.

SECTION 26

Each final printed Prospectus shall provide as an attachment the printed asset-backed securities 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 Securities]

*Application
No.*

Date

Words and phrases defined in the Prospectus issued in relation to the offering of securities 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 securities, wish to apply for the securities 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 securities applied for (Minimum Shares and multiples of shares thereafter, up to a maximum of Shares)	A
B) Subscription Price per securities (in Bahraini Dinar)	B
C) Total Subscription Amount to be paid (in Bahraini Dinar)	C = A x 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:

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Bank Stamp
Signature

Account authorised signatory

Representative Signature

Subscriber

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SECTION 27

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 checked="" 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: