



## VMMEA Issuer Limited

*(a limited par value company incorporated in Jersey with registered number 138747)*

### U.S.\$6,500,000 Trust Certificates

The U.S.\$6,500,000 trust certificates (the **Certificates**) of VMMEA Issuer Limited (in its capacity as issuer, the **Issuer** and in its capacity as trustee, as applicable, the **Trustee**) will be constituted by a declaration of trust (the **Declaration of Trust**) dated [x] July 2022 (the **Issue Date**) entered into between the Trustee and VMMEA Obligor Limited (the **Obligor**). The Certificates confer on the holders of the Certificates from time to time (the **Certificateholders**) the right to receive certain payments (as more particularly described herein) arising from an undivided ownership interest in the assets of a trust declared by the Trustee pursuant to the Declaration of Trust (the **Trust**) over the Trust Assets (as defined herein) and the Trustee will hold such Trust Assets upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder in accordance with the Declaration of Trust and the terms and conditions of the Certificates (the **Conditions**).

Periodic Distribution Amounts (as defined herein) shall be payable subject to and in accordance with the Conditions on the outstanding face amount of the Certificates from (and including) the Issue Date to (and including) the Final Scheduled Dissolution Date (as defined in the Conditions) at the relevant Profit Rate (as defined in the Conditions). Payments on the Certificates will be made free and clear of, and without deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Jersey or any authority therein or thereof having power to tax to the extent described under Condition 9 (*Taxation*).

The Certificates shall be partially redeemed on each Scheduled Dissolution Date (as defined in the Conditions). The Certificates may be redeemed, in whole or in part (as applicable) before a Scheduled Dissolution Date on the occurrence of a Tax Event, on the exercise of an Obligor Call Right or on the exercise of a Change of Control Put Right (each as defined in the Conditions). Each payment of a Periodic Distribution Amount will be made by the Trustee provided that the Obligor (as Purchaser of the airtime vouchers) shall have paid amounts equal to such Periodic Distribution Amount to the Trustee pursuant to the terms of the Transaction Documents (as defined in the Conditions).

The Trustee will have the benefit of the Guarantees (as defined in the Conditions) from Moobility Telecom Kuwait Limited (**VMMEA**), Connect Arabia Mobile Virtual Network Operator Services W.L.L (**VMK**), Impulse International for Telecommunications KSCC (**Impulse**), Kuwait Telecommunications Company K.S.C.P. (**STC Kuwait**) and Wafra International Investment Company KSCC (**Wafra**) (VMMEA, VMK, Impulse, STC Kuwait and Wafra together, the **Guarantors**), the Business Premises Mortgage (as defined in the Conditions) and the Security Agency Agreement (as defined in the Conditions) to support timely payments of the Obligor's obligations under the Transaction Documents. VMMEA and VMK are entities within the group comprising Moobility Telecom International Holding Ltd and its subsidiaries (excluding Virgin Mobile Saudi Consortium Limited) (the **VMMEA Group**).

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

**The Jersey Financial Services Commission (the JFSC) has approved the incorporation of the Trustee and consented to the issue of the Certificates. The JFSC shall not bear any liability for the contents of this Information Memorandum and does not give any confirmation as to accuracy or completeness of the contents contained in this Information Memorandum. For further information, see "Jersey Notice".**

**This Information Memorandum is issued for the subscription of the Certificates through private placement to a select number of private subscribers with a minimum amount to be subscribed for in respect of each Certificate.**

The JFSC issued its consent to the issue of the Certificates on 14 December 2021.

**The Certificates (i) will not be listed and will not be registered nor deposited with a clearing agency when issued and this Information Memorandum has not been reviewed or approved by any regulator or listing authority and (ii) has not been rated by any credit rating agency. If you do not understand the contents of this Information Memorandum or are unsure whether the Certificates to which this Information Memorandum relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.**

The transaction structure relating to the Certificates (as described in this Information Memorandum) has been approved by Minhaj Advisory as being in accordance with the provisions of *Shari'ah*. Prospective Certificateholders should not rely on such approval in deciding whether to make an investment in the Certificates and should consult their own *Shari'ah* advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with *Shari'ah* principles. Minhaj Advisory is not responsible for monitoring the ongoing compliance of the Certificates with *Shari'ah* principles.

This Information Memorandum and the information contained herein is strictly private and confidential. Copies of this Information Memorandum will only be provided in connection with the initial offering of the Certificates to prospective investors who have signed a non-disclosure agreement in a form acceptable to the Obligor.

**Investors should be aware that this Information Memorandum does not contain any financial statements or financial information of the Trustee, the Obligor, any Guarantor or the VMMEA Group.** The financial statements of certain Guarantors will be separately provided to Certificateholders in accordance with the Guarantees.

**The Certificates will not be admitted to listing to any official list maintained by any listing authority or admitted to trading on any stock exchange. The Certificates will not be deposited in any central securities depository nor will they be registered with any clearing agency. Certificateholders will hold their certificates individually and the Certificateholders will not, by contract or law, form a sukuk holders association. As such, rights and remedies of a Certificateholder will be exercised individually by such Certificateholder.** As of the date of this Information Memorandum, neither the Trustee nor the Obligor is required to publish its audited annual, or its interim, consolidated financial statements (if any), under: (i) relevant laws or regulations applicable in Jersey, given that it is an unlisted company; or (ii) any relevant listing or disclosure rules, given the Certificates will not be admitted to listing to any official list maintained by any listing authority or admitted to trading on any stock exchange.

The Certificates may only be offered, sold or transferred in registered form in minimum face amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

*Subscription Agent*

**Wafra International Investment Company KSCC**

The date of this Information Memorandum is [x] July 2022

The Trustee, the Obligor and the Guarantors accept responsibility for the information contained in this Information Memorandum. To the best of the knowledge of each of the Trustee, the Obligor and the Guarantors (each having taken all reasonable care to ensure that such is the case) the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information, except that this Information Memorandum does not include any financial information relating to the Trustee, the Obligor, any Guarantor or the VMMEA Group (certain financial information relating to the Guarantors will be separately provided to Certificateholders as provided in the Guarantees).

This Information Memorandum should be read and construed together with any amendments or supplements hereto.

The Subscription Agent has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Subscription Agent as to the accuracy or completeness of the information contained in this Information Memorandum or any other information provided by the Trustee, the Obligor or a Guarantor in connection with the Certificates. The Subscription Agent does not accept any liability in relation to the information contained in this Information Memorandum or any other information provided by the Trustee, the Obligor and the Guarantors in connection with the Certificates.

No person is or has been authorised by the Trustee, the Obligor or the Guarantors to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other information supplied in connection with the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Trustee, the Obligor, any Guarantor or any of the Subscription Agent.

**THIS INFORMATION MEMORANDUM DOES NOT CONTAIN ALL INFORMATION RELATING TO THE TRUSTEE, THE OBLIGOR, ANY GUARANTOR OR THE VMMEA GROUP NECESSARY FOR A PROSPECTIVE INVESTOR TO DECIDE WHETHER OR NOT TO SUBSCRIBE IN THE CERTIFICATES. AS SUCH NEITHER THIS INFORMATION MEMORANDUM NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE CERTIFICATES (A) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (B) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE TRUSTEE, THE OBLIGOR, ANY GUARANTOR OR THE SUBSCRIPTION AGENT THAT ANY RECIPIENT OF THIS INFORMATION MEMORANDUM OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE CERTIFICATES SHOULD PURCHASE ANY CERTIFICATES. EACH INVESTOR CONTEMPLATING PURCHASING THE CERTIFICATES SHOULD MAKE ITS OWN INDEPENDENT INVESTIGATION OF THE FINANCIAL CONDITION AND AFFAIRS, AND ITS OWN APPRAISAL OF THE CREDITWORTHINESS, OF THE TRUSTEE, THE OBLIGOR, THE GUARANTORS AND THE VMMEA GROUP. NEITHER THIS INFORMATION MEMORANDUM NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE CERTIFICATES CONSTITUTES AN OFFER OR INVITATION BY OR ON BEHALF OF THE TRUSTEE, THE OBLIGOR, THE GUARANTORS, THE VMMEA GROUP OR THE SUBSCRIPTION AGENT TO ANY PERSON TO SUBSCRIBE FOR OR TO PURCHASE ANY CERTIFICATES.**

No comment is made or advice given by the Trustee, the Obligor, the Guarantors, the VMMEA Group or the Subscription Agent in respect of taxation matters relating to the Certificates or the legality of the purchase of Certificates by an investor under applicable or similar laws.

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

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of the Certificates shall in any circumstances imply that the information contained in it concerning the Trustee, or the Obligor, any Guarantor or the VMMEA Group is correct at any time subsequent to its date or that any other information supplied in connection with the Certificates is correct as of any time subsequent to the date indicated in the document containing the same. The Subscription Agent expressly does not undertake to review the financial condition or affairs of the Trustee, the Obligor, the Guarantors or the VMMEA Group or to advise any investor in the Certificates of any information coming to their attention.

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act) unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "*Subscription and Sale*".

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and the offer or sale of Certificates may be restricted by law in certain jurisdictions. The Trustee, the Obligor, the Guarantors and the Subscription Agent do not represent that this Information Memorandum may be lawfully distributed, or that the Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, the Obligor, the Guarantors or the Subscription Agent which is intended to permit a public offering of any Certificates or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and the offering and sale of Certificates. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Certificates in the United States, the United Kingdom, Jersey, the Dubai International Financial Centre, Kuwait, the Kingdom of Saudi Arabia and the United Arab Emirates (excluding the Dubai International Financial Centre), see "*Subscription and Sale*".

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

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained in this Information Memorandum;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including where the currency of payment is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Certificates and is familiar with the behaviour of any relevant indices and financial markets; and
- (e) is able to evaluate possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

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

#### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

Some statements in this Information Memorandum may be deemed to be "forward-looking statements" – that is, statements related to future, not past, events. Forward-looking statements include statements concerning the VMMEA Group's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. When used in this Information Memorandum, the words

"anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*" and "*Description of the VMMEA Group*" and other sections of this Information Memorandum. The VMMEA Group has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Although the VMMEA Group believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Information Memorandum, if one or more of the risks or uncertainties materialise, including those identified below or which the VMMEA Group has otherwise identified in this Information Memorandum, or if any of the VMMEA Group's underlying assumptions prove to be incomplete or inaccurate, the VMMEA Group's actual results of operation may be materially different from those expected, estimated or predicted. Investors are therefore strongly advised to read the sections entitled "*Risk Factors*" and "*Description of the VMMEA Group*", which include a more detailed description of the factors that might have an impact on the VMMEA Group's business development and on the industry sector in which the VMMEA Group operates.

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

### **Currency**

All references in this document to **Kuwaiti dinar** and **KD** are to the lawful currency of Kuwait and all references to **U.S.\$** and **U.S. dollars** are to the lawful currency of the United States of America.

### **Rounding**

Certain financial and statistical amounts included in this Information Memorandum are approximations or have been subject to rounding adjustments. Accordingly, figures shown as derivations or totals in certain tables may not be exact arithmetic derivatives or aggregations of the figures that precede them.

### **Volcker Rule**

The Volcker Rule, which became effective on 1 April 2014, but was subject to a conformance period for certain entities that concluded on 21 July 2015, generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund", and (iii) entering into certain relationships with "covered funds". The general effects of the Volcker Rule remain uncertain; any prospective investor in the Certificates and any entity that is a "banking entity" as defined under the Volcker Rule which is considering an investment in the Certificates should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. If investment by "banking entities" in the Certificates is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Certificates. No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Certificates, and accordingly none of the Trustee, the Obligor, the Guarantors or the Subscription Agent, or any of their respective affiliates, makes any representation regarding (a) the status of the Trustee under the Volcker Rule (including whether it is a "covered fund" for their purposes) or (b) the ability of any purchaser to acquire or hold the Certificates, now or at any time in the future.

### **NOTICE TO UK RESIDENTS**

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

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

Persons of any other description in the United Kingdom may not receive and should not act or rely on this Information Memorandum or any other marketing materials in relation to the Certificates.

Potential investors in the United Kingdom in the Certificates are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Certificates and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme. Any individual intending to invest in any investment described in this Information Memorandum should consult his professional adviser and ensure that he fully understands all the risks associated with making such an investment and that he has sufficient financial resources to sustain any loss that may arise from such investment.

#### **JERSEY NOTICE**

The Certificates may not be offered to the public. This document does not comprise a prospectus for the purposes of the Companies (General Provisions) (Jersey) Order 2002 and a copy of it will not be delivered to the Registrar of Companies in Jersey for filing or approval.

The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Certificates by the Issuer. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that Law. It must be distinctly understood that, in giving its consent, the Jersey Financial Services Commission does not take responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to the Issuer.

#### **NOTICE TO RESIDENTS OF KUWAIT**

Unless all necessary approvals from the CMA pursuant to Law No. 7 of 2010, and its executive bylaws (each as amended) (the **CML Rules**), together with the various resolutions, regulations, directives and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable or regulation in Kuwait, have been giving in relation to the marketing of, and sale of, the Certificates (the **CMA Approval**), the Certificates may not be offered for sale, nor sold, in Kuwait.

This Information Memorandum is not for general circulation to the public of Kuwait nor will the Certificates be sold by way of a public offering in Kuwait. In the event where the Certificates are intended to be purchased onshore in Kuwait pursuant to a CMA Approval, the same may only be so purchased through a licensed person duly authorised to undertake such activity pursuant to the CML Rules. Investors from Kuwait acknowledge that the CMA and all other regulatory bodies in Kuwait assume no responsibility whatsoever for the contents of this Information Memorandum and do not approve the contents thereof or verify the validity and accuracy of its contents. The CMA, and all other regulatory bodies in Kuwait, assume no responsibility whatsoever for any damages that may result from relying (in whole or in part) on the contents of this Information Memorandum. Prior to purchasing any Certificates, it is recommended that a prospective holder of any Certificates seeks professional advice from its advisers in respect to the contents of this Information Memorandum so as to determine the suitability of purchasing the Certificates.

## **KINGDOM OF SAUDI ARABIA NOTICE**

This Information Memorandum may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the **Capital Market Authority**).

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

## TABLE OF CONTENTS

RISK FACTORS .....	7
STRUCTURE DIAGRAM AND CASHFLOWS .....	24
OVERVIEW OF THE OFFERING.....	26
TERMS AND CONDITIONS OF THE CERTIFICATES.....	28
USE OF PROCEEDS .....	50
DESCRIPTION OF THE TRUSTEE .....	51
DESCRIPTION OF THE OBLIGOR.....	52
OVERVIEW OF THE GUARANTORS .....	53
TAXATION.....	57
SUBSCRIPTION AND SALE .....	59
GENERAL INFORMATION .....	63



## **RISK FACTORS**

*Before making an investment decision, prospective purchasers of Certificates should consider their own financial circumstances and investment objective. This Information Memorandum does not contain all information relating to the Trustee, the Obligor, any Guarantor or the VMMEA Group necessary for a prospective investor to decide whether or not to subscribe in the Certificates. As such neither this Information Memorandum nor any other information supplied in connection with the Certificates (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Trustee, the Obligor, any Guarantor or the Subscription Agent that any recipient of this Information Memorandum or any other information supplied in connection with the Certificates should purchase any Certificates. Each investor contemplating purchasing the Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee, the Obligor, the Guarantors and the VMMEA Group*

*Each of the Trustee, the Obligor and the VMMEA Group believes that the factors described below represent the principal risks inherent in investing in Certificates, but the inability of the Trustee to pay any amounts on or in connection with any Certificate may occur for other reasons and none of the Trustee, the Obligor nor the VMMEA Group represents that the statements below regarding the risks of holding any Certificate are exhaustive. There may also be other considerations, including some which may not be presently known to the Trustee, the Obligor or the VMMEA Group or which the Trustee, the Obligor or the VMMEA Group currently deems immaterial, that may impact any investment in Certificates.*

*Prospective investors should also read the information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision. Words and expressions defined in "Form of the Certificates" and "Terms and Conditions of the Certificates" shall have the same meanings in this section.*

### **RISK FACTORS RELATING TO THE TRUSTEE**

At the date of this Information Memorandum, the Trustee is a private limited company incorporated under the laws of Jersey on 18 October 2021 and has a limited operating history. The Trustee will not engage in any business activity other than the issuance of the Certificates, the acquisition of the Trust Assets as described herein and as defined in the Conditions, acting in the capacity as Trustee, the issuance of shares and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to the Certificates. Therefore, the Trustee is subject to all the risks to which the Obligor is subject to the extent that such risks could limit the Obligor's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents. See "*Risk factors relating to the Obligor's ability to fulfil its obligations under the Transaction Documents*" below for a further description of these risks.

The ability of the Trustee to pay amounts due on the Certificates will primarily be dependent upon receipt by the Issuer from the Obligor (in its various capacities), of all amounts due under the Transaction Documents).

### **RISK FACTORS RELATING TO THE OBLIGOR**

At the date of this Information Memorandum, the Obligor is a private limited company incorporated under the laws of Jersey on 29 November 2021 and has a limited operating history. The Obligor will not engage in any business activity other than the distribution of Airtime Vouchers (as defined in the Conditions), the fulfilment of its obligations under the Transaction Documents and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Obligor's only material assets will be the Airtime Vouchers.

### **RISK FACTORS RELATING TO THE VMMEA GROUP'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEES ENTERED INTO BY VMK AND VMMEA**

#### **Risks relating to the VMMEA Group and its strategy**

*The VMMEA Group's historical operating results and growth should not be relied upon as an indication of future performance or growth*

The VMMEA Group's operating results may fluctuate significantly in the future due to a number of factors, many of which are beyond the VMMEA Group's control. Also, certain operating companies within the VMMEA Group, particularly in Kuwait, have limited operating history upon which the VMMEA Group can be evaluated, and the VMMEA Group's growth is in part attributable to the fact that the VMMEA Group launched operations in the Middle East in 2009. As a result, the VMMEA Group does not believe that period-to-period comparisons of the VMMEA Group's initial operating results are necessarily meaningful. Investors should not rely on comparisons of the VMMEA Group's results to date as an indication of future performance. In particular, the VMMEA Group's past performance (in turnover, costs, profitability, customers, tariff levels, usage characteristics or otherwise) may not necessarily be indicative of future performance or growth.

Furthermore, the VMMEA Group's future ability to maintain positive cash flow and operating profits will be dependent upon a number of factors. These include: the VMMEA Group's ability to attract and retain customers; the VMMEA Group's ability to maintain, control or improve usage levels, tariff levels and the VMMEA Group's churn; regulatory actions, including future price controls; and the VMMEA Group's ability to maintain, control or improve costs, including costs paid to network providers and distributors, and costs incurred in connection with sales, marketing and customer services. Factors that may affect the VMMEA Group's operating results include the risks described below. These and other factors render it difficult to predict the trends affecting the VMMEA Group's business and its turnover and operating results with any degree of certainty.

***The VMMEA Group's ability to provide its services is dependent on securing and maintaining agreements with other telecommunications operators***

The VMMEA Group depends upon mobile network operators (**MNOs**) to carry the VMMEA Group's communications traffic on their networks. In particular, the VMMEA Group currently relies on Saudi Telecommunications Company Limited (**STC**) in Kuwait and Saudi Arabia and Oman Qatari Telecommunications Company SAOG (**Ooredoo**) in Oman for the voice, non-voice, and other telecommunications services the VMMEA Group provides to the VMMEA Group's customers. If (i) the VMMEA Group's agreements with the MNOs are terminated (and any post-termination service period expires), (ii) the MNOs fail to deploy and maintain their network, or (iii) the MNOs fail to provide the services as required by the VMMEA Group and (in each case) if the VMMEA Group is unable to obtain replacement services on a timely and commercial basis (for example, due to a lack of capacity on MNOs' networks), this would prevent it from carrying on its business.

In such circumstances, even if the VMMEA Group is able to find replacement services, these may be provided on terms less favourable than those under the current agreements. Additionally, the VMMEA Group's ability to continue to offer services to the VMMEA Group's customers may be impaired because the VMMEA Group may remain to some degree dependent on assistance from MNOs to migrate the VMMEA Group's customers to one or more other network operators. If the relevant MNO does not provide the necessary termination or migration assistance in the manner which the VMMEA Group requires, the VMMEA Group's ability to continue to provide services following termination of the agreement, and during any post-termination service and migration assistance period, may be prejudiced.

There could be material costs associated with the migration of any significant number of the VMMEA Group's customers from one network to an alternative mobile network operator and such a migration, or the effects thereof, could harm the VMMEA Group's reputation. There is a risk that the VMMEA Group's churn rate would increase materially if the VMMEA Group were to seek to migrate a significant number of the VMMEA Group's customers to an alternative mobile network operator. The VMMEA Group may incur substantial costs associated with implementing strategies to reduce the VMMEA Group's churn rate in such circumstances, such as making special offers available. In addition, there may be technical and other implementation constraints and risks associated with such a large migration. These factors could have a material adverse effect on the VMMEA Group's business, financial condition and results of operations.

The VMMEA Group's arrangements in the UAE utilise the telecommunications licences and network of Emirates Integrated Telecommunications Company PJSC (**EITC**) and are operated as a separate business unit within EITC. The VMMEA Group provides technical and management services to EITC but is ultimately reliant on EITC's decisions concerning the service offered to customers.

The VMMEA Group also relies, directly or indirectly, on providers of fixed-line telecommunications for parts of the VMMEA Group's operations, including transmission of the VMMEA Group's customers' voice and non-voice traffic. The VMMEA Group's reputation could be harmed and the VMMEA Group's business, financial condition and results of operations could be seriously damaged if the VMMEA Group's or relevant third parties' agreements

with those providers are terminated, or if they fail to deploy and maintain their networks or to provide services to the VMMEA Group, and if the VMMEA Group is unable to obtain replacement services on a timely and commercial basis.

***Wholesale Agreements (WAs) with the MNOs may limit the VMMEA Group's service offerings and/or adversely affect the VMMEA Group's performance.***

In general, the VMMEA Group has agreed revenue share commercial arrangements with its host MNOs. However, some of the VMMEA Group's wholesale arrangements currently and may in the future require payments of usage-based charges to the MNOs for the services that are provided to the VMMEA Group, some of which are subject to discounts and promotional rates. There is a risk with usage based wholesale charges that if the VMMEA Group is unable to charge high enough rates to the VMMEA Group's customers for usage of its services, and is unable to renegotiate consequent changes with the MNOs to the charges payable by it under the current terms of the WAs or negotiate the supply of such services from another MNO on commercially reasonable terms, the profit that the VMMEA Group generates from usage of the relevant services could decline and ultimately the VMMEA Group may fail to generate enough turnover to meet the charges for the provision of network services.

The WAs contain termination provisions and, in some cases, specify varying periods following termination in which the MNOs are required to continue to provide services and migration assistance to the VMMEA Group. In some cases, the length of the post-termination service and migration assistance period may hinder the VMMEA Group's ability to migrate all of its customers to an alternative supplier's network, and as a result could have a material adverse effect on the VMMEA Group's business, financial condition and results of operations.

The VMMEA Group's ability to offer new and more technologically advanced services in the future may be limited by the capabilities of the MNOs' networks, the technological choices they have made and their ability to develop new services, and by the MNOs' timely delivery of dependable technical and developmental support.

The VMMEA Group is also subject to certain provisions concerning the supply of new and existing services by the MNOs. These provisions may prevent the VMMEA Group from competing effectively with future services and technologies offered by other mobile communications providers and from providing services to the VMMEA Group's customers as planned, and therefore could have a material adverse effect on the VMMEA Group's business, financial condition and results of operations.

The VMMEA Group may be unable to recover fully any losses incurred due to the MNOs' failure to perform their obligations, which could have a material adverse effect on the VMMEA Group's business, financial condition and results of operations.

***The VMMEA Group relies on third parties to distribute its products and procure subscribers for its services***

The VMMEA Group's ability to distribute products and services depends, to a large extent, on securing and maintaining a number of key distribution partners, merchandisers and account managers. These third parties sell the VMMEA Group's service packs and procure subscribers for the VMMEA Group's services. However, the distributors may procure customers for the VMMEA Group's competitors as well, and they may have incentives to encourage potential customers to subscribe to the VMMEA Group's competitors' services rather than the VMMEA Group's own.

The VMMEA Group's failure to maintain key distribution relationships, or the failure of the VMMEA Group's distribution partners to procure sufficient customers for the VMMEA Group, could have a material adverse effect on the VMMEA Group's turnover, financial condition and results of operations.

***Network interruptions, poor service or service slowdowns may result in reduced user traffic, reduced turnover and harm to the VMMEA Group's reputation and business operations***

The VMMEA Group's ability to provide services depends significantly upon the performance of the VMMEA Group's systems and the systems provided to it through contracts entered into with third parties (directly by it or indirectly), including mobile network operators. These systems are vulnerable to damage or interruption from floods, fires, telecommunication failures, power failures and similar events. They also may be subject to break-ins, sabotage, terrorism, vandalism and other similar occurrences. A natural disaster or other unanticipated problems at the VMMEA Group's facilities or the facilities of the VMMEA Group's third-party suppliers, or any other damage to, misuse or failure of the VMMEA Group's systems, could result in interruptions to the VMMEA

Group's service. System failures, including the failure of networks the VMMEA Group uses and the networks used by the VMMEA Group's suppliers, hardware or software failures or computer viruses could also affect the quality of the VMMEA Group's services and cause temporary service interruptions, resulting in customer dissatisfaction, penalties and reduced traffic volumes and turnover. Such failures, whether occurring within the VMMEA Group's infrastructure or on third parties' systems, and whether or not preventable by it, would harm the VMMEA Group's reputation. All of the foregoing could have a material adverse effect on the VMMEA Group's business, financial condition and results of operations.

***Termination or impairment of the VMMEA Group's relationships with a small number of key suppliers could adversely affect the VMMEA Group's turnover and results of operations***

In addition to relationships with the MNOs described above, the VMMEA Group has developed relationships with a number of key vendors, principally Sinch AB for network and IT services. The VMMEA Group does not have operational or financial control over the VMMEA Group's key suppliers and has limited influence with respect to the manner in which these key suppliers conduct their businesses.

If the VMMEA Group's key suppliers of services were unable to honour their obligations to it, or if suppliers of products were unable to provide it with adequate supply on a timely basis, it could disrupt the VMMEA Group's business and adversely affect the VMMEA Group's turnover and results of operations.

***The VMMEA Group is licensed to use the VMMEA Group's name and brand but does not own it***

The FRiENDi brand is owned by the VMMEA Group and currently used by the VMMEA Group in its operations in Saudi Arabia and Oman and, on launch, Kuwait.

However, the Virgin and Virgin Mobile names and brands are owned by Virgin Enterprises Limited (VEL), a Virgin Group company. The VMMEA Group is licensed by VEL to use the Virgin and Virgin Mobile names and brands in Kuwait, Saudi Arabia and the UAE pursuant to individual trade mark licence agreements (the **TMLAs**); and has certain rights to utilise such brands across other defined territories in the MEA region (the **VMMEA Group TMLA**). In order for it to continue to use the Virgin and Virgin Mobile names and brands the VMMEA Group is required to comply with certain obligations under the TMLAs.

The terms of the TMLAs and the VMMEA Group TMLA are typically up to forty years. The VMMEA Group would need to negotiate a renewal with VEL on expiry of such terms. VEL also has standard rights to terminate certain of the TMLAs and the VMMEA Group TMLA, for example, for material breach of agreement; on a change of control of the relevant Virgin Mobile company; or, if the VMMEA Group's use of the licensed names or brands has been or is likely to be materially damaging to the goodwill or reputation of such names or brands. In addition, in the event of an insolvency of VEL, there is a risk that an insolvency practitioner would exercise the rights of VEL in a way that would have a material adverse effect on the VMMEA Group's rights to use the Virgin and Virgin Mobile brands. Loss of the VMMEA Group's rights under the TMLAs to use the Virgin and Virgin Mobile names and brands would have a material adverse impact on the VMMEA Group's ability to provide services to its Virgin-branded customers, would require the VMMEA Group to solely utilise its FRiENDi brand and might have a material adverse effect on the VMMEA Group's business, financial condition and results of its operations.

VEL has exclusive control over the protection of the Virgin and Virgin Mobile names and brands and over the enforcement against unauthorised use by third parties. Actions of those third parties outside the authorised scope of the licence are not subject to Virgin Mobile's control and such use by those third parties could have a negative impact on the brands and therefore on the VMMEA Group's operating and financial results.

Under the terms of the TMLAs, VEL has agreed not to use, or grant third parties (including Virgin entities) the right to use, the Virgin Mobile names and brands in Kuwait, Saudi Arabia and UAE except to the extent other licensees of the Virgin Mobile names and brands are permitted to use the names to provide roaming services in those countries. In addition, for each of those countries, the relevant operating company has been granted exclusive use of the Virgin name and brand for "core" mobile telecommunications services for the duration of the relevant TMLA. However, there are some products and services which are licensed to the relevant operating company on a non-exclusive basis in the TMLAs and there are other communications services that are not covered, for example, fixed line services. VEL may in the future use or license third parties within such countries to use the Virgin name in connection with such products and services which are not covered by the TMLAs or are only licensed on a non-exclusive basis. In addition, other Virgin Group companies may offer or promote their products and services via other mobile communication service providers. The supply of products and services by other companies using the

Virgin brands where such products or services are or utilise mobile communication services could lead to direct competition with Virgin Mobile and/or customer confusion that could have a material adverse effect on the VMMEA Group's business, financial condition and results of operations. For services not within the scope of the TMLAs that the VMMEA Group's operating companies may wish to provide or use in the future, the prior written consent of VEL will be required, and Virgin Group companies and third parties may be able to be licensed to use those names and brands in connection with similar activities.

Third parties outside Kuwait, Saudi Arabia and the UAE already offer mobile communications services under the Virgin and Virgin Mobile names and brands and in the future other Virgin Group companies or third parties may also offer mobile communications services outside such countries, in each case under the Virgin or Virgin Mobile names and brands or similar brands. In the event that the VMMEA Group would like to use the Virgin and Virgin Mobile names and brands in other territories, there is no guarantee that such an extension of the VMMEA Group's right to use those names and brands will be possible. Furthermore, each of those third parties offering mobile communications services outside the territories in which the VMMEA Group are licensed under the Virgin or Virgin Mobile names and brands or similar brands may have the right to use the Virgin and Virgin Mobile names and brands within Kuwait, Saudi Arabia and the UAE for the purpose of delivering services (such as advertising and roaming) to its customers in connection with its licensed activities outside Kuwait, Saudi Arabia and the UAE. Consumers may confuse any of these services with services offered by it, and the VMMEA Group face the risk that actions by Virgin, other Virgin Group companies or third parties (including, but not limited to, those offering communications services) may have a material adverse impact on the VMMEA Group's image and reputation and the value of the VMMEA Group's name and brand.

VEL has trade mark applications and registrations in Kuwait, Saudi Arabia, Oman and the UAE. The VMMEA Group cannot give any assurance that pending applications will be granted or existing registrations renewed, and the VMMEA Group cannot give any assurance that any existing or newly obtained registration or other protection sought by VEL will provide adequate protection against unauthorised use of the Virgin and Virgin Mobile brands. The unauthorised use by third parties of the Virgin or Virgin Mobile brands could have a negative impact on the VMMEA Group's brand.

***The VMMEA Group operating companies are not wholly owned by the VMMEA Group and this could expose the VMMEA Group to additional risks***

The VMMEA Group currently invests in, and expects to make additional investments in, operations with significant minority interests. Investments in operating companies in which there are significant minority interests are subject to the risk that the other shareholders of the company in which the investment is made, who may have different business or investment objectives, may have the ability to block business, financial or management decisions which the VMMEA Group believes are crucial to the success of the project or investment concerned, or seek to implement initiatives which may be contrary to the VMMEA Group's interests. In addition, the minority interests may be unable or unwilling to fulfil their obligations under the relevant agreements or may experience financial or other difficulties that may adversely impact the VMMEA Group's investment. The VMMEA Group may be reliant on the particular expertise and resources of its minority partner and any failure by any such partner to perform its obligations in a diligent manner could also adversely affect the VMMEA Group's investment.

***The VMMEA Group may suffer from operational strains associated with rapid growth, including expansion into new countries, if not managed properly***

The VMMEA Group's turnover and operations may suffer if the VMMEA Group does not effectively manage its growth. The VMMEA Group's ability to sustain its growth will require continued investment in personnel and operations, as well as effective management of the VMMEA Group's financial policies and relations with third parties who provide services to it. The VMMEA Group cannot give any assurances that it will be able to evaluate effectively the relevant risks associated with its growth or that it will be able to implement timely enhancements to the VMMEA Group's operations.

Also, the VMMEA Group plans to expand into further countries in the near future. Any such expansion will require additional investment and the Obligor cannot give any assurance that it will have adequate resources to handle the costs and risks associated with this expansion. Any inability to manage the VMMEA Group's growth successfully could have a material adverse effect on the VMMEA Group's business, results of operations and turnover.

***The loss of key senior personnel could adversely impact the VMMEA Group's results of operations***

The VMMEA Group's performance depends significantly on the efforts and expertise of the VMMEA Group's key senior personnel. The unexpected loss of the services of one or more of these individuals could have an adverse effect on the VMMEA Group's business, financial condition and results of operations. There can be no assurance that the VMMEA Group will rapidly be able to replace key senior personnel if necessary in the future.

**Risk factors relating to the VMMEA Group's industry**

***The success of the VMMEA Group's operations will depend on its ability to attract and retain customers and maintain or increase revenues per customer***

The growth of the VMMEA Group's customer base is vulnerable to market saturation in some markets. This may limit the VMMEA Group's ability to attract new customers and may lead to a decline in the VMMEA Group's current customer base.

In addition, the VMMEA Group's performance may be affected by the size and usage trends of its customer base (such as the current industry shift from voice to non-voice usage). These trends may in turn be affected by the costs of attracting new customers, the competitiveness of the VMMEA Group's tariffs, the competitiveness of alternative services, developments in the mobile market and general macroeconomic conditions, many of which are outside the VMMEA Group's control.

***Increased competition may reduce the VMMEA Group's market share, turnover and profitability***

Increased competition could lead to declines in the prices the VMMEA Group charges for its services, which may negatively affect turnover growth and profitability. Furthermore, as a result of the VMMEA Group's supply contract terms for the provision of mobile network services and other agreements with the VMMEA Group's suppliers, the VMMEA Group may have less flexibility than its competitors to control certain aspects of its cost structure in the event that prices decline. A period of price competition could adversely affect the VMMEA Group's business, financial condition and results of operations.

The VMMEA Group faces the possibility that competition will intensify with the entry of new mobile virtual network operators (MVNOs) or re-sellers that may be attracted by the low capital intensity of such business models and other low barriers to entry. In addition, the VMMEA Group faces the possibility of competition from new network operators. For example the Telecommunications Regulatory Authority in Oman awarded a third spectrum licence to a locally owned, Vodafone-branded consortium, which launched in late 2021. In Saudi Arabia, the Communications and Information Technology and Information Technology Commission awarded MVNO licences to two new entrants in July 2021.

Furthermore, some of the VMMEA Group's existing or potential competitors may have substantially greater capital resources than the VMMEA Group does. Heightened competition could lead to a decrease in the rate at which the VMMEA Group adds new customers, an increase in the VMMEA Group's churn rate, and a decrease in the size of the VMMEA Group's market share as subscribers choose to receive services from other providers. There can be no assurance that the VMMEA Group's churn rate will not increase. An increase in the VMMEA Group's churn rate could adversely affect profitability because the VMMEA Group may experience lower turnover and increase acquisition costs to replace customers.

***Significant technological changes in the mobile communications industry could materially adversely affect it***

The mobile communications industry experiences significant technological change. The VMMEA Group may not be able to acquire future services and technologies from MNOs or other third parties, or to develop alternative solutions itself, in a timely manner or on terms that are as economically attractive or cost-effective.

The VMMEA Group also cannot be certain that the TMLAs have sufficiently or accurately contemplated all new developments and technologies. The need to address technological developments and any inability to secure future technologies and services on a cost-effective basis could result in a reduction in the VMMEA Group's customer base and could have a material adverse effect on the VMMEA Group's business, financial condition and results of operations.

### ***Competition from alternative technologies may reduce the VMMEA Group's turnover and profitability***

The VMMEA Group may face competition from communications technologies that are under development or that will be developed in the future. Alternative technologies may develop for the provision of services to customers that may provide mobile services or alternative services that are superior, cheaper or otherwise more attractive than those available from it. Failure to compete adequately in a cost-effective manner could result in a reduction in the VMMEA Group's customer base and could have a material adverse effect on the VMMEA Group's business, financial condition and results of operations.

### ***Regulatory decisions and changes in the regulatory environment could adversely affect the VMMEA Group's business***

The VMMEA Group must comply with an extensive range of requirements that regulate and supervise the licensing, provision and operation of the VMMEA Group's services. If the VMMEA Group fails to comply with its regulatory obligations, the ultimate regulatory sanction is suspension of the right to provide services, which would prevent it from carrying on its business. Third parties on whom the VMMEA Group depends, such as providers of mobile network services, are also required to comply with these and additional regulatory requirements. If these third parties fail to comply with their own regulatory obligations, their rights to operate networks and provide services are also capable of being suspended or otherwise affected adversely which might impact the VMMEA Group's ability to provide its services.

Furthermore, there are agencies which regulate the telecommunications industry in each country in which the VMMEA Group operates, particularly sector regulators. Decisions by regulators could adversely affect the VMMEA Group's future operations, profitability and financial condition. The requirements of regulatory regimes can affect the tariffs the VMMEA Group may charge for its services, and the turnover the VMMEA Group receives from its customers' use of their phones. For example, in the last two to three years, the Communications and Information Technology Commission in Saudi Arabia introduced widespread changes to the MVNO regulatory framework; and, the Telecommunications Regulatory Authority in Oman has implemented a "Regulated Access and Interconnection" regime.

### ***The VMMEA Group is subject to political and economic conditions in the MEA region***

While Kuwait, Oman, Saudi Arabia and the UAE historically have experienced a relatively stable political environment, certain other jurisdictions in the Middle East and Africa (MEA) region have not. In recent years, there has been social and political unrest and/or armed conflict in a range of countries in the wider MEA region, including the Arab Republic of Egypt, the People's Democratic Republic of Algeria, Libya, the Kingdom of Bahrain, the Republic of Yemen, the Republic of Iraq, Syria, Palestine, the Republic of Tunisia, the Sultanate of Oman and Turkey, including the multinational conflict with the Islamic State of Iraq and the Levant, also known as Daesh or ISIS. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict, the overthrow of existing leadership and governments and increased political uncertainty across the region. Certain of these recent and ongoing conflicts are a continuation of the significant political and military upheaval experienced since early 2011, commonly referred to as the "Arab Spring", which gave rise to several instances of regime change and increased political uncertainty in the wider MEA region.

On 5 June 2017, the United Arab Emirates, the Arab Republic of Egypt and the Kingdom of Bahrain announced the severing of diplomatic ties with the State of Qatar (which included the withdrawal of ambassadors as well as the imposition of trade and travel restrictions). In January 2021, Qatar and the boycotting GCC countries agreed to a resolution including the re-opening of borders and commencing the reconciliation process. These situations have caused, and may continue to cause, significant disruption to the economies of the affected countries, including having a destabilising effect on international oil prices. Tensions in the Gulf region have increased following the seizure by Iran of a British tanker in July 2019 and, more broadly, due to several incidents including oil tankers in the Strait of Hormuz and Gulf of Oman. On 14 September 2019, the Abqaiq processing facility and the Kurais oil field in the Kingdom of Saudi Arabia were damaged to a significant extent in apparent drone attacks, which caused an immediate significant reduction in the output of Saudi Aramco, the Kingdom of Saudi Arabia's national oil company. There can be no assurance that a similar incident could not occur elsewhere in the Gulf region. Furthermore, there can be no assurance what impact this incident will and any similar incidents in the future may have on global oil prices.

Furthermore, other world events could have an impact on the political and security situation in Kuwait and the wider MEA region. Since the 1990 Gulf War, Kuwait and the United States have enjoyed close economic and

strategic ties. On 20 January 2017, Donald J. Trump was inaugurated as the 45th President of the United States. On 8 May 2018, the United States announced its withdrawal from the comprehensive agreement between the U.N. Security Council's five permanent members *plus* Germany and Iran which was reached on July 2015, reinstating U.S. nuclear sanctions on the Iranian regime. The United States also announced that it would not renew exceptional waivers for importing Iranian oil for several oil-importing countries, effective from May 2019. On 2 January 2020 the United States carried out a military strike which killed a senior Iranian military commander. As a result of this military strike Iran launched missiles at a U.S. base in Iraq. In November 2020, Joseph R. Biden, Jr. was elected as the 46th President of the United States on a platform of reversing many of President Trump's policies. Joseph R. Biden, Jr. became President of the United States in January 2021. Given his limited time in office so far, some of President Biden's foreign policy objectives, including trade, immigration, military and economic support of historic partners, and the U.S. relationship with Iran, have remained somewhat uncertain making his stance towards a continuing relationship with Kuwait and the wider region unclear.

The VMMEA Group is also subject to fluctuating oil prices. The Organization of the Petroleum Exporting Countries (OPEC) reference basket price has fallen significantly since January 2020. In early March 2020, OPEC officials proposed a plan to the members of OPEC, including Kuwait, and other non-OPEC member countries, including Russia, to cut global production by 1.5 per cent. No agreement was reached, ending a three-year partnership between OPEC and major non-OPEC oil exporters. This also resulted in 'OPEC plus' failing to extend the agreement of cutting 2.1 million barrels per day that was set to expire at the end of March 2020. In March 2020, the Kingdom of Saudi Arabia announced that it would raise oil output and discount its oil in April 2020. However, in early April 2020, 'OPEC plus' announced that it had reached an agreement to cut production by 9.7 million barrels a day, however this action failed to support sufficiently the oil market with prices falling in the days following that announcement. This agreement was extended until July 2020, beyond which a gradual easing of the cuts was scheduled. As a result of the above factors and the COVID-19 outbreak weakening the demand for oil, the OPEC reference basket price fell significantly. Furthermore, certain oil prices turned negative during April 2020 (with the West Texas Intermediate benchmark falling as low as *minus* U.S.\$37.63 a barrel), as weakened demand, as a result of the COVID-19 outbreak, led to buyers being paid to take oil due to storage capacity concerns. The OPEC reference basket price continued to fluctuate throughout 2020 and as of December 2020, had not returned to January 2020 levels. As at 31 December 2020, the OPEC reference basket price was U.S.\$50.24. During 2021, the OPEC reference basket price steadily increased with the monthly average price reaching U.S.\$74.38 in December 2021.

The VMMEA Group's business may be affected by the financial, political and general economic conditions prevailing from time to time in Kuwait, Oman, Saudi Arabia, UAE and the MEA region. For example, increased regional uncertainty could reduce foreign direct investment in the region and lead to capital outflows and increased repatriation of expatriates. It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and the VMMEA Group cannot be certain that it will be able to sustain its operations if significant adverse political events or circumstances occur. A general downturn or instability in certain sectors of these countries or the regional economy, whether caused by fluctuations in hydrocarbon prices or other factors, could also materially adversely affect the VMMEA Group. Potential investors should also note that the VMMEA Group's business and future financial performance may be adversely affected by political, economic or related developments both within and outside the MEA region because of inter-relationships within the global financial markets.

Potential investors should also be aware that investments in emerging markets, such as the countries the VMMEA Group has operations in, are subject to greater risks than those in more developed markets, including risks such as:

- political, social and economic instability;
- external acts of warfare and civil clashes;
- governments' actions or interventions, including tariffs, protectionism, subsidies, expropriation of assets and cancellation of contractual rights;
- changes in taxation and other laws and regulations;
- difficulties and delays in obtaining new permits, licences and consents for business operations or renewing existing ones; and



- potential lack of reliability as to title to real property in certain jurisdictions.

Accordingly, potential investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

***The outbreak of communicable diseases around the world, in particular the COVID-19 pandemic, has led to economic volatility, which may materially and adversely affect the VMMEA Group's business, financial condition and results of operations***

The outbreak of communicable diseases on a global scale may result in sporadic volatility in global markets. The coronavirus known as COVID-19 was first identified in Wuhan, Hubei Province, China in late 2019 and spread to most countries around the world. In March 2020, the U.S., certain EU Member States and countries in the Middle East, including Kuwait, imposed varying levels of entry and other restrictions, which aimed to reduce in-person interactions. These measures, while designed to slow the spread of COVID-19, resulted in significant reductions in economic activity globally. It is currently unclear how long existing restrictions will be in place, the duration of possible future restrictions and what their ultimate impact will be on global and local economies.

According to the World Bank, the COVID-19 pandemic negatively impacted the global economy, created significant volatility and pushed over 80 million people into extreme poverty in 2020. In addition, the pandemic has resulted in temporary closures of many businesses, and the institution of social distancing and sheltering-in-place requirements in many states and communities. The curfews and lockdown measures in Kuwait and certain other markets and slower economic activity, especially during the second quarter of 2020, had a significant adverse impact on the VMMEA Group which could continue in the future. The lack of immunity in the population and the absence of an effective vaccination programme during the COVID-19 pandemic in 2020 and early 2021 affected business globally from supply chain disruption, changes to consumer behaviour, adapted working arrangements and issued around employee well-being.

The VMMEA Group experienced several adverse business impacts across the MEA region. The periodic imposition of quarantines across the markets in which the VMMEA Group operates disrupted sales and changed consumer usage patterns. The closure of international borders and the closure of retail outlets affected the VMMEA Group's sale capabilities across the MEA region. In addition, the confinement of the VMMEA Group's consumers at home during the lockdowns and curfews imposed by governments in the MEA region resulted in adverse consumer behaviour. Consumers confined at home relied more heavily on fixed and WiFi communication methods at the expense of mobility-based mobile communications which adversely impacted the VMMEA Group's active base of customers.

The COVID-19 pandemic is on-going and there is a significant risk of recurring outbreaks in affected countries and possible future mutations in the virus may prove difficult to contain. The extent to which the COVID-19 pandemic impacts the VMMEA Group's business, results of operations, and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic. Any material changes in the economic environment in the MEA region or globally as a result of these events or developments may materially have an adverse effect on the VMMEA Group's business, results of operations and financial condition. It should be noted that the impact of COVID-19, including actions taken to contain it, might heighten many of the other risks noted within these Risk Factors, including through increasing both the probability of negative impact as well as the severity of such impact.

***The VMMEA Group's results of operations could be materially adversely affected by the introduction of value added tax in the GCC countries***

In June 2016, all six Gulf Cooperation Council (GCC) countries signed the Common Value-Added Tax Agreement (the VAT Framework) and it was agreed that each GCC member state would introduce a value-added tax (VAT) system at a rate of 5 per cent. Saudi Arabia and the UAE implemented VAT at the rate of 5 per cent. on the sale of goods or services from 1 January 2018, increased to a rate of 15 per cent. in Saudi Arabia effective from 1 July 2020. Bahrain followed with its new VAT framework on 1 January 2019, and Oman became the fourth GCC country to introduce a VAT system on 16 April 2021.

As at the date of this Information Memorandum, Kuwait does not impose VAT on the sale of goods and services. However, investors should be aware of the recently implemented VAT on goods and services as part of a GCC-wide VAT framework. Currently, the Kuwaiti Government has not announced plans to introduce VAT in 2022. However, due to the wide discretion conferred to each GCC member state under the VAT Framework, the terms and conditions of the VAT regime, if introduced, are not known as at the date of this Information Memorandum. If the VMMEA Group becomes subject to VAT in Kuwait, its profitability may be adversely affected. In addition, the Kuwaiti Government is implementing fiscal reforms which may include introducing a proposed 10 per cent. corporate income tax in the future. The proposed imposition of a tax on corporate earnings, if implemented and applied to the VMMEA Group's operations in Kuwait, would reduce its profits available for distribution to shareholders through dividends.

The VMMEA Group's costs in Saudi Arabia and the UAE have increased as a result, and it is possible that, once VAT is introduced in Kuwait, the VMMEA Group's costs would increase and its future profitability could be negatively affected. The VMMEA Group currently passes the VAT on to its customers on some products through increased prices, which may deter some customers, and absorbs the VAT itself on other products which may impact its profitability negatively. Therefore, the recent introduction of VAT in the GCC may have a material adverse effect in the future on the VMMEA Group's business, financial condition and results of operations.

***The VMMEA Group's business may be adversely by adverse foreign currency fluctuations***

The VMMEA Group is exposed to foreign exchange rate risk, which includes the possibility that the value of a foreign currency asset or liability will change due to changes in currency exchange rates as well as the possibility that the VMMEA Group may have to close out any open position in a foreign currency at a loss due to an adverse movement in exchange rates. The VMMEA Group is exposed to fluctuations in foreign exchange rates and any such hedging activity may not, in all cases, protect the VMMEA Group against such risks.

As at the date of this document, the Saudi Riyal, the UAE dirham and the Omani Riyal are pegged to the U.S. dollar. However, there can be no assurance that these currencies will not be de-pegged in the future or that the existing pegs will not be adjusted in a manner that adversely affects the value of the relevant GCC currency.

Government and monetary authorities may also impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive lesser amounts under the Certificates than expected, or no such amounts.

**Risk factors relating to the Certificates**

***Absence of secondary market/limited liquidity***

There is no assurance that a market for the Certificates will develop or, if it does develop, that it will continue for the life of the Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates readily or at prices that will enable the Certificateholder to realise a desired yield. The market value of the Certificates may fluctuate and a lack of liquidity, in particular, can have a severe adverse effect on the market value of the Certificates. In addition, questions as to the *Shari'ah* permissibility of the structure or the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates. Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates. An investor in Certificates must be prepared to hold the relevant Certificates until their maturity.

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

Recourse to the Trustee in respect of the Certificates is limited to the Trust Assets and the proceeds of the Trust Assets are the sole source of payments on the Certificates. Upon occurrence of a Final Dissolution Event or Optional Dissolution Event pursuant to Condition 7 (*Redemption and Capital Distributions of the Trust Assets*), the sole rights of each of the Trustee and the Certificateholders of the Certificates will be against the Trustee, the Obligor and the Guarantors to perform their respective obligations under the Transaction Documents. Certificateholders will otherwise have no recourse to any assets of the Trustee, the Obligor, the Guarantors, as the case may be, the Subscription Agent or any affiliate of any of the foregoing entities in respect of any shortfall in the expected amounts due under the Trust Assets. Certificateholders will also not be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding-up or receivership of the Obligor (in respect of its obligations under the Transaction Documents to the extent that it fulfils all such

obligations), or the Trustee or any of their affiliates as a consequence of such shortfall or otherwise. The Obligor is obliged to make certain payments under the Transaction Documents directly to the Trustee, and the Trustee will have direct recourse against the Obligor to recover payments due to the Trustee from the Obligor pursuant to the Transaction Documents. There can be no assurance that the net proceeds of the realisation of, or enforcement with respect to, the Trust Assets will be sufficient to make all payments due in respect of the Certificates. After enforcing or realising the Trust Assets and distributing the net proceeds of the Trust Assets in accordance with Condition 4 (*The Trust*), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee to recover any further sums in respect of such Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall any Certificateholder or the Trustee have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents and the sole right of the Trustee and the Certificateholders against the Obligor shall be to enforce the obligation of the Obligor to perform its obligations under the Transaction Documents.

***The Certificateholders will be secured only to the extent of the value of the collateral that has been granted as security for liabilities and obligations owing or incurred by the Obligor, and such collateral may not be sufficient to satisfy the Obligor's obligations under the Transaction Documents***

The Certificateholders will be secured only to the extent of their share of the value of the proceeds of the collateral in respect of which security has been granted. There is no requirement for the Trustee, the Obligor or any Guarantor to provide funds to enhance the value of the collateral if it is insufficient to discharge the liabilities and obligations owing or incurred by the Obligor to any Secured Party (as defined in the security agency agreement dated [x] July 2022 between Kuwait Financial Centre K.P.S.C. (trading as Markaz) (as security agent) (the **Security Agency Agreement**)). The proceeds of any sale of the collateral following an event of default will be shared between the Secured Parties and the Trustee's share of such proceeds may not be sufficient to satisfy, and may be substantially less than, the amount owed by the Obligor to the Trustee. In addition, in the case of the issuance of the Second Sukuk (as defined in the Conditions), the Secured Parties will include the holders of the Second Sukuk and as a result, security constituted under the Security Documents will be shared on a *pari passu* basis with the holders of the Second Sukuk.

The amount of the proceeds realised upon the enforcement of the security will depend upon many factors, including, among others, whether or not VMK is sold as a going concern, the availability of buyers and the condition of the collateral. The book value of the collateral should not be relied on as a measure of realisable value for the collateral. By its nature, some or all of the collateral may not have a readily ascertainable market value or may not be saleable or, if saleable, there may be substantial delays in its disposal. In addition, VMK's business requires a variety of licenses and permits. In the event that the security is enforced, the grant of licenses and permits may be revoked, the transfer of such licenses and permits may be prohibited or may require VMK to incur significant costs and expenses. Further, neither the Trustee, the Obligor nor the Guarantors can assure the Certificateholders that applicable governmental authorities will consent to the transfer of all such licenses and permits. If the regulatory approvals required for such transfers are not obtained, are delayed or are economically prevented, the enforcement of security may be delayed, temporary or permanent shutdown of the operations of VMK may result, and the value of the collateral may be significantly decreased.

If the proceeds of any sale of collateral are not sufficient to pay all amounts due from the Obligor to the Trustee, the Certificateholders (to the extent not repaid from the proceeds of the sale of the collateral) would have only an unsecured claim against the Guarantors, Trustee or the Obligor, as applicable.

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

In the event that the amount payable on the Certificates is required to be increased to include additional amounts in certain circumstances and/or the Obligor is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in Jersey, or any political subdivision or any authority thereof or therein having power to tax, the Obligor may be entitled to require the Trustee to redeem all but not some only of the Certificates upon giving notice in accordance with the Conditions (as defined herein).

In addition, the Obligor may exercise an Obligor Call Right pursuant to which the Trustee may redeem all but not some only of the Certificates upon giving notice in accordance with the Conditions (as defined herein).

***Legal investment considerations may restrict certain investments***

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

***Investors may not be able to reinvest redemption proceeds of the Certificates at the same or a higher rate than the profit rate applicable to the Certificates***

The Certificates may be redeemed prior to a Scheduled Dissolution Date if: (i) the Trustee is or becomes obliged to increase the amounts payable in respect of the Certificates due to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Jersey or any authority therein or thereof having power to tax; or (ii) the Obligor is or becomes obliged to pay additional amounts to the Trustee under the Transaction Documents due to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Jersey or any authority therein or thereof having power to tax, and such obligation cannot be avoided by the Trustee or the Obligor, as the case may be, taking reasonable measures available to it, in each case in accordance with Condition 7(b) (*Early Redemption for Tax Reasons*); or (iii) the Obligor exercises a Obligor Call Right in accordance with Condition 7(e) (*Redemption following the exercise of an Obligor Call Right*).

If the Certificates are redeemed as described above, an investor may not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

**Risk factors relating to taxation**

***Taxation risks on payments***

Payments made by the Obligor to the Trustee under the Transaction Documents or by the Trustee in respect of the Certificates could become subject to taxation. The Transaction Documents require the Trustee and the Obligor to pay additional amounts, as applicable, in the event that any withholding or deduction is required by the laws of Jersey to be made in respect of payments made by it to the Issuer which are intended to fund Periodic Distribution Amounts and Final Dissolution Amounts or Optional Dissolution Amounts (each as defined in the Conditions). Condition 9 (*Taxation*) provides that the Trustee is required to pay additional amounts in respect of any such withholdings or deductions imposed by Jersey in certain circumstances. In the event that the Trustee fails to gross-up for any such withholding or deduction on payments due in respect of the Certificates to Certificateholders, the Obligor has, pursuant to the Declaration of Trust, unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to the Trustee (for the benefit of the Certificateholders) an amount equal to the liabilities of the Trustee in respect of any and all additional amounts required to be paid in respect of the Certificates pursuant to Condition 9 (*Taxation*) in respect of any withholding or deduction in respect of any tax as set out in that Condition.

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

Article 150 (bis) of Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and the Regulating of Securities Activities (introduced pursuant to Law No. 22 of 2015) (**Article 150 (bis)**) provides that returns from bonds, finance sukuk and other similar securities, regardless of the nature of the issuer thereof, shall be exempted from taxation.

While the Kuwait Ministry of Finance has issued Administrative Resolution No. 2028 of 2015 (the **Administrative Resolution**), which essentially endorses the provisions of Article 150 (bis), to date it has not provided any further guidance regarding the interpretation of Article 150 (bis) or the Administrative Resolution. Similarly, the Kuwaiti Courts (who will be the final arbiters on the matter) have not been required to interpret such provision to date.

Furthermore, the Kuwait Ministry of Finance's Department of Income Tax (the **DIT**) has to date not always adopted consistent rulings on Kuwaiti tax matters more generally. Accordingly, to the extent that the exemption afforded by Article 150 (bis) is held not to apply to the Certificates, to a particular Certificateholder or to the Trustee, such Certificateholder(s) which are non-GCC corporate entities and/or the Trustee may become subject to income tax in Kuwait (see "*Taxation—Kuwait*" for further details).

In addition, neither Article 150 (bis) nor the Administrative Resolution address the issue of whether or not there remains an obligation, as described under "*Taxation—Kuwait—Retention*", to make a deduction of five per cent. of the amount of any payments made by a Kuwaiti guarantor to the Trustee. In the event of any such deduction, the Transaction Documents to which a Kuwaiti guarantor is a party provides that a Kuwaiti guarantor will pay such additional amounts as will result in the eventual receipt by Certificateholders of such net amounts as would have been receivable by them if no withholding or deduction had been made.

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

See "*Taxation—Kuwait*" for further details.

## **RISK FACTORS RELATING TO ENFORCEMENT**

### ***The insolvency regime in Kuwait is relatively untested with limited guidance as to how the legislative framework will be applied in practice by the courts in Kuwait***

Notwithstanding that the Transaction Documents (other than the Security Documents and Guarantees) are expressed to be governed by English law, in the event of the insolvency of VMK, Impulse, STC Kuwait or Wafra, the Kuwaiti bankruptcy law applicable at the time of any such event shall apply. Cognisance in this regard should be had to the new Kuwait bankruptcy regime (Law No. 71 of 2020) which has now come into full force and effect on 25 July 2021. The insolvency of VMK, Impulse, STC Kuwait or Wafra may adversely affect their ability to perform their obligations under the Guarantees and, consequently, the Trustee's ability to perform its obligations in respect of any Certificates. Further, obtaining a final bankruptcy judgment in Kuwait may take several years. There is little precedent to predict how any claims on behalf of holders of the Certificates and/or the Trustee against VMK, Impulse, STC Kuwait or Wafra would be resolved in the event of any of their insolvency and therefore there can be no assurance that holders of the Certificates will receive payment of their claims in full or at all in these circumstances.

### ***Enforcement may be costly and time consuming***

The payments under the Certificates are dependent upon the Obligor and/or the Guarantors making payments to the Trustee in accordance with the Transaction Documents. If the Obligor and/or any Guarantor fails to do so, it may be necessary to bring an action against the Obligor and/or the Guarantors to enforce its obligations and/or claim damages, which may be costly and time consuming.

### ***Change of law***

The structure of the issue of the Certificates is based on English law, the laws of Jersey and the laws of Kuwait and administrative practices in these jurisdictions in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible change to English law, Jersey law or Kuwaiti law or any such administrative practices after the date of this Information Memorandum, nor can any assurance be given as to whether any such change could adversely affect the ability of the Trustee to make payments under any Certificates or of the Trustee or the Obligor to comply with their respective obligations under the Transaction Documents and the Guarantors to comply with their obligations under the Guarantee to which it is a party.

### ***Enforcement risk***

Ultimately the payments under the Certificates are dependent upon the Obligor (failing which, the Guarantors) making payments in the manner contemplated under the Transaction Documents. If the Obligor or any Guarantor fails to do so, it may be necessary for an investor to bring an action against the Obligor and/or the Guarantors to enforce its obligations and/or to claim damages, as appropriate, which could be both time consuming and costly.

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

The Obligor has irrevocably agreed to certain of the Transaction Documents (excluding the Security Documents and Guarantees) being governed by English law and, where this is the case, that any dispute arising from such Transaction Documents may be referred to arbitration in London, England under the rules of arbitration of the LCIA.

Kuwait is a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the **New York Convention**). A foreign arbitral award will be recognised and enforced in Kuwait (without re-trial or examination of the merits of the case) in accordance with Kuwait Law No. 38 of 1980 (the Code of Civil and Commercial Procedure) (the **Code**). Article 200 of the Code provides that foreign arbitral awards are to be recognised and enforced under the same conditions (applied *mutatis mutandis* to foreign arbitral awards) as are applied in respect of the enforcement of foreign judgments under Article 199 of the Code (as detailed below) save that, in addition, the subject matter of the award must be considered arbitrable under Kuwaiti law and the arbitral award must be enforceable in the jurisdiction in which it was rendered.

Article 199 of the Code requires that: (a) the courts of the jurisdiction by which the judgment was rendered must afford reciprocal treatment to judgments rendered in Kuwait; (b) the judgment must be rendered by a competent authority according to the law of the jurisdiction in which it was rendered; (c) the parties must have been duly summoned to appear and were duly represented at the proceedings; (d) the judgment must be final and non-appealable (*res judicata*) according to the law of the jurisdiction in which it was rendered; (e) the judgment must not contradict any prior judgment rendered by a Kuwaiti Court; and, finally (f) the judgment must not contain anything in conflict with the general morals or public order of Kuwait.

The requirement to establish reciprocal enforcement under Article 199 of the Code with respect to the recognition and enforcement of arbitral awards issued in England is satisfied as England and Kuwait are both signatories to the New York Convention. Enforcement of a foreign arbitral award in Kuwait requires the filing of an enforcement action in the courts of Kuwait (the **Kuwaiti Courts**). Proceedings before the Kuwaiti Courts, including enforcement actions, can take a relatively long time before a final and non-appealable judgment is issued.

There have not been many occasions in which the Kuwaiti Courts have been asked to consider the enforcement of foreign arbitral awards and so (notwithstanding that on those occasions when they have been asked to do so they have shown that they will follow the provisions of the Code and enforce an arbitral award) there is not a large body of decided cases in which the practical implications of complying with Article 199 of the Code have been analysed.

There is also a risk that the Kuwaiti Courts will assume jurisdiction. Each of the Transaction Documents which are governed by English law contain a provision to the effect that disputes arising thereunder will be referred to arbitration under the arbitration of the LCIA.

Nevertheless, if a claim is brought before the courts of Kuwait, the Kuwaiti Courts may still accept jurisdiction in any suit, action or proceedings in the situations identified in Articles 23, 24 and 26 of the Code. These situations include (a) where the defendant in the proceedings expressly or impliedly accepted the jurisdiction of the Kuwaiti Courts, (b) where the defendant is a Kuwaiti national or is resident, domiciled or has a place of business or a chosen domicile in Kuwait or (c) if such legal proceedings relate to property (movable or immovable) located in Kuwait, an obligation is created, executed or required to be performed in Kuwait or a bankruptcy is declared in Kuwait.

There can therefore be no assurance that the Kuwaiti Courts will decline jurisdiction to adjudicate any dispute under the Transaction Documents, notwithstanding that certain of the Transaction Documents provide that parties have agreed that any disputes arising thereunder shall be referred to arbitration under the Rules. The risk that the Kuwaiti Courts would assume jurisdiction on the proceedings is reduced, but not eliminated, in the event that, (a) the respondent to a claim raises procedural defences as regards the jurisdiction, and (b) the existence of previous or simultaneous proceedings in, or *res judicata* judgments from, a competent jurisdiction outside Kuwait, on the subject matter and involving the same disputing parties. The Kuwaiti Courts will not recognise or give effect to the choice of the laws of England to govern certain Transaction Documents, nor enforce a foreign judgment or foreign arbitral award to the extent that any of such laws, judgments or arbitral awards are found by the Kuwaiti Courts to be contrary to rules of public order or morality of Kuwait.

Subject to the provisions of the Arbitration (Jersey) Law 1998 (as amended), a foreign arbitration award is enforceable (and may be relied on by way of defence, set-off or otherwise) in Jersey either by action or by leave of the Royal Court of Jersey in the same manner as a judgment or order to the same effect, provided it is an award to which the Protocol on Arbitration Clauses signed at a Meeting of the Assembly of the League of Nations held on 24 September 1923, or the Geneva Convention on the Execution of Foreign Arbitral Awards signed on 26 September 1927, or the New York Convention, applies. In order to register a judgment of the English courts against the Issuer or the Obligor in Jersey, so that it may be registered and enforced as a judgment of the Jersey court in accordance with and subject to the provisions of the Judgments (Reciprocal Enforcement) (Jersey) Law 1960 (the **Jersey Reciprocal Enforcement Law**) without a substantive re-examination of the merits of such judgment, the judgment must be a judgment to which the Jersey Reciprocal Enforcement Law applies. An application may be made to the Jersey courts to set aside a judgment registered under the Jersey Reciprocal Enforcement Act on the following grounds: (i) the judgment is not a judgment to which the Jersey Reciprocal Enforcement Law applies; (ii) the courts of the country of the original court had no jurisdiction in the circumstances of the case; (iii) the judgment debtor, being the defendant in the proceedings in the original court, did not receive notice of those proceedings in sufficient time to enable him to defend those proceedings and did not appear; (iv) the judgment was obtained by fraud; (v) that the enforcement of the judgment in Jersey would be contrary to public policy in Jersey; (vi) that the rights under the judgment are not vested in the person by whom the application for registration was made; or (vii) that the matter in dispute in the proceedings in the original court had previously to the date of the judgment in the original court been the subject of a final and conclusive judgment by a court having jurisdiction in the matter. A final and conclusive judgment which is for a fixed sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or penalty) obtained in the courts of a jurisdiction to which the Reciprocal Enforcement Law does not apply, such as Kuwait, against the Trustee or the Obligor would be recognised by the Jersey court in accordance with the principles of private international law as applied by Jersey law and such judgment would be sufficient to form the basis of proceedings in the Jersey court for a claim for liquidated damages in the amount of such judgment. In such proceedings, the Jersey court would not re-hear the case on its merits save in accordance with such principles of private international law.

***There are limitations on the creation, perfection and enforcement of security interests that could affect the Certificateholders' rights***

The security securing the obligations of VMK will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Business Premises Mortgage. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the collateral securing the obligations of VMK, as well as the ability of the Security Agent to realise or foreclose on such collateral. Furthermore, the ranking of the security can be affected by a variety of factors, including, among other things, the timely satisfaction of perfection requirements, statutory liens or re-characterisation under the laws of the relevant jurisdictions. In addition, in the case of the issuance of the Second Sukuk (as defined in the Conditions), the security constituted under the Security Documents will be shared on a *pari passu* basis with the holders of the Second Sukuk.

The Business Premises Mortgage is subject to registration requirements in Kuwait. The registration of the Business Premises Mortgage is valid for a period of five years unless renewed prior to the expiry of such timeframe. In perfecting the registration of the Business Premises Mortgage, the following procedures should be complied with, (a) the Business Premises Mortgage is required by the registration offices must be in the form of an official document which must be (i) written in the Arabic language, (ii) notarised at the authentication office at the Kuwait Ministry of Justice, and (iii) stamped with the "writ of execution". Each of the local security agent in Kuwait and the mortgagor (i.e. VMK) must execute the Business Premises Mortgage, and (b) once executed and authenticated, an original copy of the Business Premises Mortgage and supporting documents must be submitted to the commercial registry at the Ministry of Commerce and Industry. Once registered at the commercial registry at the Ministry of Commerce and Industry, then the Business Premises Mortgage will be duly registered.

***Claims for specific enforcement***

In the event that the Obligor and/or a Guarantor fails to perform its obligations under any Transaction Document, the potential remedies available to the Trustee include, in addition to enforcing the security under the Security Documents, obtaining an order for specific enforcement of the relevant obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement which is a discretionary matter.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee to mitigate any loss arising as a result of the breach. No assurance

is provided on the level of damages which a court may award in the event of a failure by the Obligor or a Guarantor to perform its obligations as set out in the Transaction Documents.

#### **Additional risks**

##### ***Investors who hold less than the minimum Specified Denomination may be unable to sell their Certificates and may be adversely affected if definitive Certificates are subsequently required to be issued***

The Certificates have denominations consisting of a minimum specified denomination of U.S.\$200,000 plus one or more higher integral multiples of U.S.\$1,000. It is possible that the Certificates may be traded in amounts in excess of U.S.\$200,000 that are not integral multiples of U.S.\$200,000. In such a case a holder who, as a result of trading such amounts, holds a face amount of less than U.S.\$200,000 would need to purchase an additional amount of Certificates such that it holds an amount equal to at least U.S.\$200,000 to be able to trade such Certificates.

Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of U.S.\$200,000 and integral multiples of U.S.\$1,000 may be illiquid and difficult to trade.

#### ***Emerging Markets***

Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including, in some cases, significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

#### ***Consents to variation of Transaction Documents and other matters***

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

The Declaration of Trust contains provisions permitting the Trustee from time to time and at any time without any consent or sanction of the Certificateholders to agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any Transaction Document or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or potential Dissolution Event shall not be treated as such if, in the opinion of the Trustee (a) such modification is of a formal, minor or technical nature, or (b) such modification is made to correct a manifest error, or (c) such modification, waiver, authorisation or determination is not materially prejudicial to the interests of Certificateholders, provided that in the case of (c) above no such modification, waiver, authorisation or determination may be made in contravention of any express direction by Extraordinary Resolution (as defined in the Conditions) or request in writing by the holders of at least 30 per cent. of the outstanding aggregate face amount of Certificates. Unless the Trustee otherwise decides, any such modification, waiver, authorisation or determination shall as soon as practicable thereafter be notified by the Trustee to the Certificateholders in accordance with Condition 14 (*Notices*) and shall in any event be binding upon the Certificateholders.

##### ***If an investor holds Certificates which are not denominated in the investor's home currency, he or she will be exposed to movements in exchange rates adversely affecting the value of his or her holding. In addition, the imposition of exchange controls in relation to any Certificates could result in an investor not receiving payments on those Certificates***

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



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

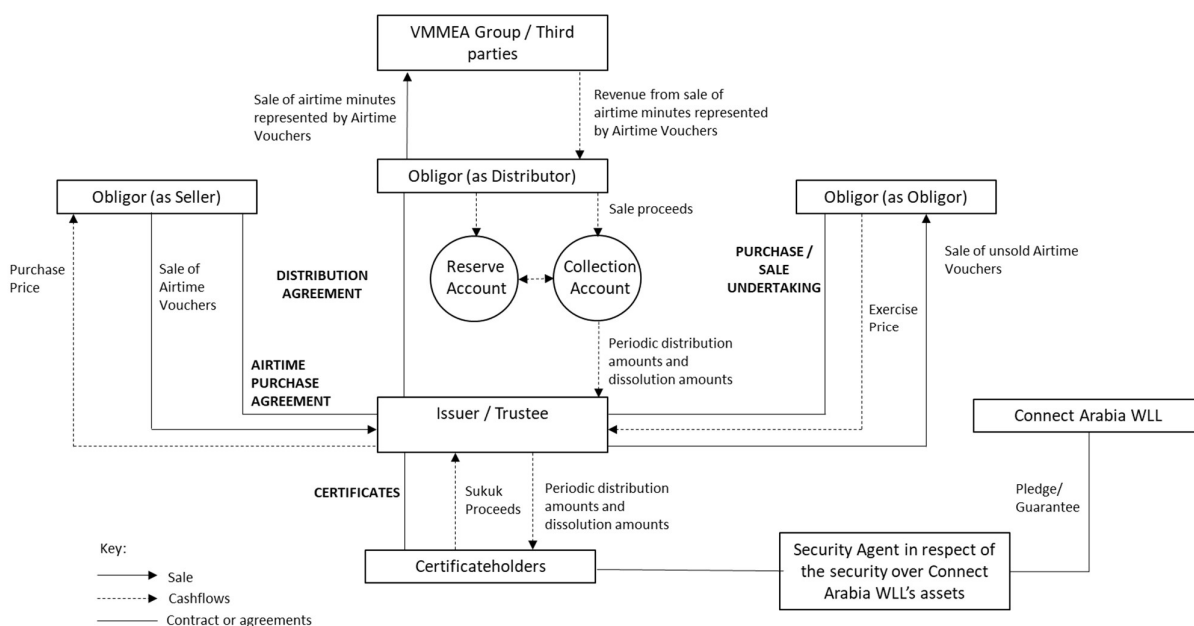
***Shari'ah rules***

Minhaj Advisory has confirmed that the Transaction Documents are, in its view, *Shari'ah* compliant. However, there can be no assurance that the Transaction Documents or the Certificates will be deemed to be *Shari'ah* compliant by any other *Shari'ah* board or *Shari'ah* scholars. None of the Trustee, the Obligor, the Guarantors or the Subscription Agent makes any representation as to the *Shari'ah* compliance of the Certificates and potential investors are reminded that, as with any *Shari'ah* views, differences in opinion are possible. Potential investors should obtain their own independent *Shari'ah* advice as to the compliance of the Transaction Documents and the issue and trading of the Certificates with their individual standards of compliance with *Shari'ah* rules and principles. Questions as to the *Shari'ah* permissibility of the structure or the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

***Shari'ah requirements in relation to interest awarded by a court***

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

## Structure Diagram and Cashflows



### Principal Cash Flows

#### Payments by the Certificateholders to the Trustee

On the Issue Date, the Trustee will enter into an airtime purchase agreement (the **Airtime Purchase Agreement**) with the Obligor pursuant to which the Trustee will use the proceeds of the issue of the Certificates to purchase from Obligor, on behalf of the Certificateholders, all of its rights, title, interests, benefits and entitlements in and to a specified number of airtime vouchers (the **Original Airtime Vouchers**). Each Airtime Voucher represents an entitlement to a specified number of minutes of airtime sold in the context of the Obligor's business (**Airtime Minutes**).

#### Periodic Distribution Payments and Dissolution Distribution Payments

Pursuant to a distribution agreement to be entered into on the Issue Date between the Trustee and the Obligor (the **Distribution Agreement**), the Trustee (in its capacity as the **Supplier**) will appoint the Obligor as its sole and exclusive distributor (in its capacity as the **Distributor**) in consideration of a nominal fee of the Original Airtime Vouchers and any additional Airtime Vouchers purchased by the Trustee following an exercise of the Additional Airtime Sale Undertaking (the **Additional Airtime Vouchers**). The Distributor will distribute and sell, for an on behalf of the Supplier, allotted airtime vouchers at a price at least equal to the minimum sale price specified in the Distribution Agreement which will generate sales proceeds (**Sale Proceeds**) sufficient to allow the Trustee to pay Periodic Distribution Amounts due under the Certificates on each Periodic Distribution Date.

#### Termination Payments

Pursuant to the Purchase Undertaking, the Trustee shall have the right to require the Obligor to purchase and accept the transfer of the Outstanding Airtime Vouchers from the Trustee and pursuant to the Sale Undertaking the Obligor will have the right to require the Issuer to sell, transfer and convey all of the Outstanding Airtime Vouchers to the Obligor, each on the Business Day immediately preceding a Scheduled Dissolution Date or Optional Dissolution Date. In each instance, the Trustee will use the amounts received from such purchase or sale to pay amounts due to Certificateholders on the relevant Scheduled Dissolution Date or Optional Dissolution Date.

#### Guarantees and Security

VMMEA, VMK, Impulse, STC Kuwait and Wafra, will each enter into a proportionate corporate guarantee pursuant to which each such party will severally guarantee (in certain pre-agreed proportions) the obligations of

the Obligor under the Transaction Documents in favour of the Trustee. In addition, VMK will enter into a business premises mortgage in order to support timely payments of certain of the Obligor's obligations under the Transaction Documents. Kuwait Financial Centre K.P.S.C. (trading as Markaz) will be appointed in Kuwait to hold the security for the Secured Parties as defined in the Security Agency Agreement. Certificateholders will have the right to take action against the relevant obligors under these documents in the Kuwaiti courts (in the case of the business premises mortgage, via the aforementioned security agent).

## OVERVIEW OF THE OFFERING

*This overview does not contain all of the information that an investor should consider before investing in Certificates and is qualified in its entirety by the remainder of this Information Memorandum. Each investor should read the entire Information Memorandum carefully, especially the risks of investing in the Certificates discussed under "Risk Factors".*

Words and expressions defined in "*Form of the Certificates*" and "*Terms and Conditions of the Certificates*" shall have the same meanings in this general description.

Issuer and Trustee:	VMMEA Issuer Limited, a private limited company incorporated in accordance with the laws of Jersey.
Obligor:	VMMEA Obligor Limited, a private limited company incorporated in accordance with the laws of Jersey.
Ownership of the Trustee:	The Trustee has an authorised share capital of 10,000 divided into 10,000 shares of a single class of a par value of £1.00 each, of which one share is fully paid up and issued, which is held by Belasko Trustees Jersey Limited, which holds such shares under the terms of a purpose trust known as The Belasko Purpose Trust.
Administration of the Trustee:	The affairs of the Trustee are managed by Belasko Jersey Limited (the <b>Trustee Administrator</b> ), who will provide, amongst other things, certain administrative services for and on behalf of the Trustee pursuant to the Corporate Services Agreement dated 15 November 2021 between the Trustee and the Trustee Administrator.
Ownership of the Obligor:	The Obligor has an authorised share capital of 10,000 divided into 10,000 shares of a single class of a par value of £1.00 each, of which one share is fully paid up and issued, which is held by Moobility Telecom Kuwait Limited.
Administration of the Obligor:	The affairs of the Obligor are managed by Belasko Jersey Limited (the <b>Obligor Administrator</b> ), who will provide, amongst other things, certain administrative services for and on behalf of the Obligor pursuant to the Corporate Services Agreement dated 7 December 2021 between the Obligor and the Obligor Administrator.
Guarantors:	Moobility Telecom Kuwait Limited, Connect Arabia Mobile Virtual Network Operator Services W.L.L., Impulse International for Telecommunications KSCC, Kuwait Telecommunications Company K.S.C.P. and Wafra International Investment Company KSCC
Subscription Agent:	Wafra International Investment Company KSCC
Security Agent:	Kuwait Financial Centre K.P.S.C. (trading as Markaz)
Certain Restrictions:	The Certificates will only be issued in circumstances which comply with certain laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ").
Issue Size:	U.S.\$6,500,000.
Profit Rate:	9.25 per cent. per annum.

Scheduled Dissolution Dates:	31 March, 30 June, 30 September and 31 December in each year, commencing 30 September 2024.
Redemption:	<p>The Certificates shall be mandatorily redeemed on the Scheduled Dissolution Dates.</p> <p>The Certificates may however be redeemed, either in whole or in part (as applicable), earlier in the following circumstances, as more fully specified in the Conditions:</p> <p>(i) at any time upon the occurrence of a Tax Event or Dissolution Event;</p> <p>(ii) at any time upon the occurrence of a Change of Control Event; and/or</p> <p>(iii) at any time and subject to the conditions set out below, upon the exercise by the Obligor of the Obligor Call Right.</p>
Form of Certificates:	The Certificates will be issued in registered form as described in " <i>Form of the Certificates</i> ".
Status:	Each Certificate will evidence an undivided ownership interest of the Certificateholders in the Trust Assets, will be a limited recourse obligation of the Trustee and will rank <i>pari passu</i> , without any preference or priority, with all other Certificates.
Guarantees:	Pursuant to the Guarantees, the Guarantors have guaranteed the punctual performance of the Obligor's payment obligations which are outstanding under or pursuant to the Transaction Documents up to the Guarantee Amount defined in the Guarantee to which each Guarantor is a party.
Security:	VMK will grant and/or procure the grant of a business premises mortgage entered into between VMK and the Security Agent to support timely payments of the Obligor's obligations under the Transaction Documents. In addition, in the case of the issuance of the Second Sukuk (as defined in the Conditions), the security constituted under the Security Documents will be shared on a <i>pari passu</i> basis with the holders of the Second Sukuk.
Periodic Distribution Dates:	31 March, 30 June, 30 September and 31 December in each year, commencing on 30 September 2022.
Specified Denominations:	U.S.\$200,000 and integral multiples of U.S.\$1,000.
Dissolution Events:	The occurrence of an Obligor Event, Trustee Event and/or Guarantor Event.
Dissolution for Taxation Reasons:	The Certificates may be redeemed prior to their Scheduled Dissolution Date on a Tax Event at their Tax Dissolution Amount in accordance with Condition 7(b) ( <i>Early Redemption for Tax Reasons</i> ).

## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following, subject to completion and amendment, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Certificates which will be endorsed on the Certificates represented in definitive form.*

### Part A

VMMEA Issuer Limited (in its capacity as issuer and in its capacity as trustee, as applicable, the **Trustee**) has issued Trust Certificates (the **Certificates**) in an aggregate face amount of U.S.\$6,500,000. The Certificates are constituted by a declaration of trust (the **Declaration of Trust**) dated [x] July 2022 (the **Issue Date**) made between the Trustee and VMMEA Obligor Limited (the **Obligor**).

Furthermore, the Certificateholders (as defined below) will be entitled to the benefit of a security agency agreement entered into between Connect Arabia Mobile Virtual Network Operator Services W.L.L. and Kuwait Financial Centre K.P.S.C. (trading as Markaz) (the **Security Agent**) (the **Security Agency Agreement**) wherein the Security Agent is holding the benefit of the security under a business premises mortgage entered into between Connect Arabia Mobile Virtual Network Operator Services W.L.L. and the Security Agent (the **Business Premises Mortgage**) for the Secured Parties as defined in the Security Agency Agreement. In addition, in the case of the issuance of the Second Sukuk (as defined herein), the Secured Parties as defined in the Security Agency Agreement will include the holders of the Second Sukuk and, as a result, security constituted under the Security Documents (as defined herein) will be shared on a *pari passu* basis with the holders of the Second Sukuk.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents (as defined in Part B of these Conditions (*Definitions and Interpretation*)). Copies of the Declaration of Trust are available for inspection on reasonable notice and during normal office hours at the Specified Office. The Certificateholders are entitled to the benefit of, and are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

#### 1. Form, Denomination and Title

##### (a) *Form and Denomination*

The Certificates are issued in registered form, serially numbered, in principal amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (**authorised denominations**) and are each represented by a certificate (each a **Registered Certificate** and, together, the **Registered Certificates**).

##### (b) *Title*

Title to the Certificates will pass by transfer and registration as described in Condition 2 (*Registration and Transfer of Certificates*). Each Certificateholder will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related Registered Certificate, as applicable) or anything written on it or the Registered Certificate representing it (other than a duly executed transfer thereof)) and no Person will be liable for so treating the Certificateholder as the holder thereof.

#### 2. Registration and Transfer of Certificates

##### (a) *Registration*

The Trustee will cause a register (the **Register**) to be kept at the Specified Office outside the United Kingdom on which will be entered the names and addresses of the Certificateholders and the particulars of the Certificates held by them and of all transfers and redemptions of Certificates.

(b) *Exercise of an Optional Dissolution Right in respect of part but not all of a holding of Certificates*

In the case of an exercise of an Optional Dissolution Right in respect of part, but not all, of a Certificateholder's holding of Certificates, the Register shall be updated to reflect the ownership of the Certificateholder for the balance of the holding in respect of which such right was not exercised.

(c) *Transfer*

Certificates may, subject to Conditions 2(d) (*Formalities Free of Charge*) and 2(e) (*Closed Periods*), be transferred in whole in an authorised denomination by lodging the Registered Certificate in respect of the relevant Certificate (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the Specified Office.

No transfer of a Certificate will be valid unless and until entered on the Register. A Certificate may be registered only in the name of, and transferred only to, a named Person (or Persons, not exceeding four in number).

The Trustee will within seven Business Days, in the place of the Specified Office, of any duly made application for the transfer of a Certificate (such application to include responses to any reasonable due diligence enquiries the Trustee may raise), deliver a new Registered Certificate in respect of the Certificate to the transferee (and, in the case of a transfer of some only of the Certificates represented by a single Registered Certificate, deliver a new Registered Certificate in respect of the untransferred Certificate to the transferor) at the Specified Office or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Registered Certificate in respect of the Certificate by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(d) *Formalities Free of Charge*

Such transfer will be effected without charge subject to:

- (i) the Person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith;
- (ii) the Trustee being satisfied with the documents of title and/or identity of the Person making the application; and
- (iii) such reasonable regulations as the Trustee and the Obligor may determine from time to time (and as initially set out in the Declaration of Trust).

(e) *Closed Periods*

The Trustee will not be required to effect or register the transfer of any Certificate (or part thereof):

- (i) during the period of 10 days ending on (and including) a Final Dissolution Date, an Obligor Call Date or a Periodic Distribution Date or any other date on which any payment of the face amount or payment of any profit in respect of that Certificate falls due; or
- (ii) in respect of which a Certificateholder has exercised a Change of Control Put Right.

**3. Status and Limited Recourse**

(a) *Status*

Each Certificate evidences an undivided beneficial ownership of the Trust Assets and ranks *pari passu*, without preference, with the other Certificates.

(b) *Limited Recourse*

- (i) The proceeds of the Trust Assets are the sole source of payment on the Certificates. The net proceeds of the realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. Certificateholders, by subscribing for or acquiring the Certificates, acknowledge and agree that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:
- (A) no payment of any amount whatsoever shall be made by the Trustee or any of its directors, officers, employees or agents on its behalf except to the extent funds are available therefor from the Trust Assets and no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee to the extent that the Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished;
  - (B) no payment of any amount whatsoever shall be made by the Obligor or any of its directors, officers, employees or agents on its behalf to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party or by any Guarantor or any of their directors, officers, employees or agents on their behalf to the extent that it fulfils all of its obligations under the relevant Guarantee;
  - (C) the Obligor is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders) and the Certificateholders shall have no direct recourse against the Obligor (failing which, against the Guarantors under each Guarantee) to recover such payments;
  - (D) the Trustee may not sell, transfer, assign or otherwise dispose of the Airtime Vouchers to a third party (save as permitted pursuant to the Distribution Agreement), and may only realise its rights, title, interest, benefits and entitlements, present and future in, to and under the Airtime Vouchers in the manner expressly provided in the Transaction Documents;
  - (E) if the proceeds of the Trust Assets are insufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of the Trustee or the Obligor (and/or their directors, officers, shareholders or corporate services providers in each of their respective capacities as such) (other than the Trust Assets in the manner and to the extent contemplated by the Transaction Documents) or any of their respective directors, officers, employees, agents, shareholders or affiliates, in each case in respect of any shortfall or otherwise;
  - (F) no Certificateholders will be able to petition for, institute, or join with any other Person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee, the Obligor, any Guarantor or any of their respective directors, officers, employees, agents, shareholders or affiliates as a consequence of such shortfall or otherwise;
  - (G) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee, the Obligor or any Guarantor arising under or in connection with the Certificates or the Transaction Documents by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, employee, agent, director or corporate services provider of the Trustee, the Obligor and/or the Guarantors (in each of their respective capacities as such). The obligations of the Trustee, the Obligor and the Guarantors under the Certificates and the Transaction Documents are corporate or limited liability obligations of the Trustee, the Obligor and the Guarantors, respectively, and no personal liability shall attach to or be incurred by the shareholders, members, officers, employees, agents, directors



or corporate services providers of the Trustee, Obligor or Guarantors (in each of their respective capacities as such), save in the case of their wilful default or actual fraud; and

- (H) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate.

The Obligor is obliged to make certain payments under the Transaction Documents directly to or to the order of the Trustee. Such payment and delivery obligations form part of the Trust Assets and the Trustee will have direct recourse against the Obligor (failing which, the Guarantors) to recover payments or deliverables due to the Trustee from the Obligor pursuant to such Transaction Documents notwithstanding any other provision of this Condition 3(b). Such right of the Trustee shall constitute a secured claim against the assets of Connect Arabia Mobile Virtual Network Operator Services W.L.L. pursuant to the Security Documents. None of the Certificateholders and the Trustee shall be entitled to claim any priority right in respect of any specific assets of the relevant Guarantors in connection with the enforcement of any such claim other than the specified assets of Connect Arabia Mobile Virtual Network Operator Services W.L.L. in accordance with the Security Documents.

(c) *Status of the Guarantees*

Each of the Guarantors has, in the Guarantee to which it is a party, unconditionally and irrevocably guaranteed in favour of the Trustee, the due and punctual payment of the Obligor's payment obligations under the Transaction Documents up to the Guaranteed Amount specified in the Guarantee in respect of each Guarantor.

The obligations of each Guarantor pursuant to the Guarantee to which it is a party are direct, unsubordinated and unsecured obligations of the relevant Guarantor and (save for certain obligations required to be preferred by law) rank *pari passu*, without any preference or priority, with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Guarantor from time to time outstanding.

#### 4. The Trust

(a) *Trust Assets*

Pursuant to the Declaration of Trust, the Trustee, acting as agent and trustee, holds the Trust Assets for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder.

(b) *Application of Proceeds from Trust Assets*

On each Periodic Distribution Date and on any Dissolution Date, the Trustee shall apply the moneys standing to the credit of the Transaction Account in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, (to the extent not previously paid) to any receiver, manager or administrative receiver or any other analogous officer or agent appointed in respect of the Trust by the Trustee in accordance with the Declaration of Trust;
- (ii) *second*, (to the extent not previously paid) to pay *pro rata* and *pari passu* the Trustee in respect of all amounts owing to it under the Transaction Documents in its capacity as Trustee;
- (iii) *third*, only if such payment is due on a Periodic Distribution Date for application by the Trustee in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;
- (iv) *fourth*, only if such payment is due on an Optional Dissolution Date for application by the Trustee in or towards payment of the Optional Dissolution Amount to the relevant Certificateholder;

- (v) *fifth*, only if such payment is due on a Final Dissolution Date for application by the Trustee in or towards payment *pari passu* and rateably of all Final Dissolution Amounts; and
- (vi) *sixth*, only on a Dissolution Date on which all Certificates are redeemed in full and provided that all amounts required to be paid in respect of the Certificates hereunder have been discharged in full, in payment of any residual amount to the Obligor in its capacity as Distributor as an incentive fee for its performance under the Distribution Agreement.

(c) *Realisation of Trust Assets*

- (i) Neither the Security Agent nor the Trustee shall be bound in any circumstances to take any action, step or proceeding to enforce or to realise the Trust Assets or to take any action, step or proceeding against the Trustee and/or the Obligor under any Transaction Document to which either of the Trustee or the Obligor is a party or against a Guarantor under a Guarantee unless directed or requested to do so: (A) by an Extraordinary Resolution; or (B) in writing by Certificateholders of at least 30 per cent. of the then outstanding aggregate face amount of Certificates; or (C) (in the case of the Trustee only) by the Security Agent, and in any such case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- (ii) No Certificateholder shall be entitled to proceed directly against the Trustee, the Obligor or a Guarantor unless the Security Agent or the Trustee, as the case may be, having become bound to so proceed, fails to do so within a reasonable period or is unable by reason of an order of a court having competent jurisdiction to do so, and such failure or inability is continuing, in which case the Certificateholders shall have only such rights against the Obligor or a Guarantor as those which the Trustee or the Security Agent is entitled to exercise. Under no circumstances shall the Security Agent or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Security Agent and the Certificateholders against the Trustee and the Obligor shall be to enforce their respective rights under the Transaction Documents to which they are party.
- (iii) The foregoing provisions of this Condition 4(c) are subject to this Condition 4(c)(iii). After enforcing or realising the Trust Assets and distributing the net proceeds of the Trust Assets in accordance with Condition 4(b) (*Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Certificates and the right to receive any such unpaid sums shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

## 5. Covenants

Each of the Trustee and the Obligor covenants that for so long as any Certificate is outstanding they shall not (without the prior written consent of the Certificateholders):

- (a) incur any indebtedness in respect of financed, borrowed or raised money whatsoever (whether structured (or intended to be structured) in accordance with the principles of *Shari'ah* or otherwise), or give any guarantee or indemnity in respect of any obligation of any Person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as provided in the Transaction Documents;
- (b) secure any of its present or future indebtedness by any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);
- (c) in respect of the Trustee only, sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind

or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets except pursuant to any of the Transaction Documents;

- (d) except as provided in Condition 13 (*Meetings of Certificateholders, Modification and Waiver*), amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;
- (e) have any subsidiaries or employees;
- (f) redeem any of its shares or pay any dividend or make any other distribution to its shareholders, excluding for the avoidance of doubt any consideration payable by the Trustee to the Obligor or the Obligor to the Trustee (each in any capacity) as contemplated by the Transaction Documents;
- (g) in respect of the Trustee only, use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
- (h) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (i) enter into any contract, transaction, amendment, obligation or liability other than the Certificates (in respect of the Trustee only) and the Transaction Documents to which it is a party or as expressly contemplated, permitted or required thereunder or engage in any business or activity other than:
  - (i) as contemplated, provided for or permitted in the Transaction Documents;
  - (ii) in respect of the Trustee only, the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
  - (iii) such other matters which are incidental thereto,

in each instance, except as may be required in respect of the Second Sukuk.

Each of the Trustee and the Obligor agrees that, if so requested by Certificateholder(s) holding at least 10 per cent. in face amount of the outstanding Certificates, and at the expense of the Certificateholder(s) making such request, it shall as soon as possible appoint auditors to examine its accounts and report thereon in accordance with the Companies (Jersey) Law 1991, as amended.

Each of the Trustee and the Obligor covenants that for so long as any Certificate is outstanding it shall ensure that each partner in VMK (being a person recorded as such in VMK's commercial registration extract issued by the Ministry of Commerce and Industry in Kuwait) has executed a guarantee in substantially the same form as the Guarantees and procure the execution of such guarantee if required to fulfil this obligation.

## 6. Periodic Distribution Amounts

### (a) *Periodic Distribution Amounts*

A profit distribution shall be calculated by applying the Profit Rate to the aggregate outstanding face amount of the Certificates and shall be payable in arrear in respect of the Certificates on each Periodic Distribution Date in respect of the Return Accumulation Period ending on such date (each such distribution being referred to in these Conditions as a **Periodic Distribution Amount**). Periodic Distribution Amounts shall be distributed to Certificateholders by the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 4(b) (*Application of Proceeds from Trust Assets*) and Condition 8 (*Payments*).

(b) *Calculations*

If a Periodic Distribution Amount is required to be calculated in respect of a period other than a Return Accumulation Period, the Periodic Distribution Amount shall be calculated by applying the relevant Profit Rate to the outstanding face amount of the Certificates and multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest 10 cents, five cents being rounded upwards or otherwise in accordance with applicable market convention.

**7. Redemption and Capital Distributions of the Trust Assets**

In respect of each redemption and capital distribution of the Trust Assets described in this Condition 7, it is intended that the relevant Final Dissolution Amount or relevant Optional Dissolution Amount will represent the value of the Relevant Airtime Vouchers (in respect of and as defined in the Purchase Undertaking) or Outstanding Airtime Vouchers (in respect of and as defined in the Sale Undertaking), as applicable, and in the circumstances, and on the terms, specified in the Purchase Undertaking or Sale Undertaking, as applicable.

(a) *Redemption on a Scheduled Dissolution Date*

Unless previously redeemed, or purchased and cancelled, in full, as provided in these Conditions, each Certificate shall be redeemed in the proportions provided in these Conditions on each Scheduled Dissolution Date (and fully and finally redeemed on the Final Scheduled Dissolution Date) at the Scheduled Dissolution Amount.

For the purposes thereof, the Trustee shall deliver a duly completed Exercise Notice to the Obligor in accordance with the Purchase Undertaking.

Upon the payment of the Scheduled Dissolution Amount on the Final Scheduled Dissolution Date, the Certificates shall cease to represent interests in the Trust Assets and no further amounts will be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(b) *Early Redemption for Tax Reasons*

On the occurrence of a Tax Event, the Obligor may in its sole discretion deliver to the Trustee a duly completed Exercise Notice in accordance with the provisions of the Sale Undertaking. On receipt of such notice, the Trustee shall, on giving not less than 30 and nor more than 60 days' notice to the Certificateholders (which notice shall be irrevocable) (**Tax Dissolution Notice**) redeem the Certificates in whole but not in part at any time (such date being a **Tax Dissolution Date**) at their Tax Dissolution Amount.

Prior to the publication of any notice of dissolution pursuant to this Condition 7(b), the Trustee shall deliver to the Certificateholders:

- (i) a certificate signed by two authorised signatories of the Trustee or Obligor, as applicable, stating that a Tax Event has arisen and cannot be avoided by the Trustee or Obligor, as applicable, taking reasonable measures available to it; and
- (ii) an opinion of independent legal or tax advisers of recognised standing to the effect that the Trustee or the Obligor, as the case may be, has or will become obliged to pay additional amounts as a result of a Tax Event,

and such certificate and legal opinion will be sufficient evidence that a Tax Event has occurred in which event it shall be conclusive and binding on Certificateholders.

Upon expiry of any such notice given in accordance with this Condition 7(b) and payment in full of the Tax Dissolution Amount to Certificateholders, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(c) *Redemption following a Dissolution Event*

Upon the occurrence of a Dissolution Event, the Certificates may be redeemed at the Dissolution Event Amount and the Certificates shall cease to represent interests in the Trust Assets, in each case subject to, and as more particularly specified in, Condition 10 (*Dissolution Events*).

(d) *Early Redemption following a Change of Control Event*

The Obligor must notify the Trustee within five Business Days of a Change of Control Event and provide a description of the Change of Control Event. The Trustee, upon receipt of such notice from the Obligor or otherwise upon becoming aware of the occurrence of a Change of Control Event, shall promptly give a Change of Control Notice to the Certificateholders in accordance with Condition 14 (*Notices*). After receipt of a Change of Control Notice, a Certificateholder may exercise a Change of Control Put Right during the Change of Control Put Period.

A Change of Control Put Right may be exercised in respect of all or any proportion of the Certificates held by that Certificateholder provided that a Change of Control Put Right may only be exercised in respect of the whole of a Certificate.

A Change of Control Put Right may be exercised during the Change of Control Put Period by a Certificateholder by delivering the Registered Certificate in respect of the Certificate to the Specific Office, during its usual business hours, accompanied by a Change of Control Put Notice. No Change of Control Put Notice so delivered may be withdrawn without the prior consent of the Trustee.

Upon the exercise of a Change of Control Put Right, the Trustee shall redeem the relevant Certificates on the Change of Control Put Date at the Change of Control Put Amount. For the purposes thereof, the Trustee shall deliver a duly completed Exercise Notice to the Obligor in accordance with the Purchase Undertaking.

The foregoing provisions of this Condition 7(d) shall apply on each occasion (if any) on which a Change of Control Event occurs.

If all (and not some only) of the Certificates are to be redeemed on any Change of Control Put Date in accordance with this Condition 7(d), upon payment in full of the Change of Control Put Amount to all Certificateholders, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(e) *Redemption following the exercise of an Obligor Call Right*

The redemption of the Certificates pursuant to this Condition 7(e) is subject to the following conditions:

- (i) no right pursuant to Condition 7(b) (*Early Redemption for Tax Reasons*) has been exercised;
- (ii) no Dissolution Event has occurred; and
- (iii) Connect Arabia Mobile Virtual Network Operator Services W.L.L. has not, in the three months prior to the exercise of this Obligor Call Right, entered into a binding agreement with a third party that would result in a Change of Control Event.

Subject to the above conditions being met, the Obligor may, acting on instruction by Connect Arabia Mobile Virtual Network Operator Services W.L.L., deliver to the Trustee a duly completed Exercise Notice in accordance with the provisions of the Sale Undertaking. On receipt of such Exercise Notice, the Trustee shall redeem the Certificates in whole or in part in any multiple of U.S.\$325,000, on giving not less than 30 nor more than 60 days' notice to the Certificateholders (which notice shall be irrevocable) (an **Obligor Call Notice**) on the date specified in such Obligor Call Notice (the **Obligor Call Date**) at their Obligor Call Amount.

(f) *Purchases*

Each of the Trustee, the Obligor and any Guarantor may at any time purchase Certificates in the open market or otherwise at any price. Any Certificates held by the Trustee, the Obligor or any Guarantor shall not entitle the holder to exercise any voting rights and shall not be deemed to be outstanding for the purposes of calculating quorums, meetings or for passing Extraordinary Resolutions for the purposes of Condition 13 (*Meetings of Certificateholders, Modification and Waiver*).

(g) *Cancellation*

Any Certificates purchased by or on behalf of the Trustee, the Obligor or any Guarantor shall be cancelled in accordance with the terms of the Declaration of Trust and the Sale Undertaking. Any Certificates so cancelled may not be reissued or resold and the obligations of the Trustee in respect of any such Certificates shall be discharged. If all (and not some only) of the Certificates are cancelled in accordance with this Condition 7(g), the Certificates shall cease to represent interests in the Trust Assets.

(h) *No other Dissolution*

The Trustee shall not be entitled to redeem the Certificates other than as provided in this Condition 7 and Condition 10 (*Dissolution Events*).

**8. Payments**

(a) *Payments in respect of the Certificates*

Subject to Condition 8(b) (*Payments subject to Applicable Laws*), payment of any Dissolution Amount and Periodic Distribution Amount will be made by or on behalf of the Trustee in U.S. dollars by wire transfer in same day funds to the Registered Account of the Certificateholder. Payments of any Change of Control Put Amount will only be made against presentation and surrender of the relevant Certificate at the Specified Office. Each Dissolution Amount or Periodic Distribution Amount will be paid to the Certificateholder shown on the Register at the close of business on the relevant Record Date.

(b) *Payments subject to Applicable Laws*

Payments in respect of the Certificates are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

(c) *No Commissions*

No commissions or expenses shall be charged by the Certificateholders in respect of any payments made in accordance with this Condition 8.

(d) *Payment only on a Business Day*

Where payment is to be made by transfer to a Registered Account, payment instructions (for value the due date or, if that is not a Business Day, for value the following day which is a Business Day) will be initiated by the Trustee on the due date for payment or, in the case of payment of a Change of Control Put Amount, if later, on the Business Day on which the relevant Certificate is surrendered at the Specified Office for value as soon as practicable thereafter.

Certificateholders will not be entitled to any additional payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the relevant Certificateholder is late in surrendering its Certificate (if required to do so).

If the amount of an Optional Dissolution Amount or Periodic Distribution Amount is not paid in full when due, the Trustee will annotate the Register with a record of the amount in fact paid.

## 9. Taxation

All payments in respect of the Certificates by or on behalf of the Trustee and all payments by the Obligor to the Trustee in respect of the Certificates shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Jersey or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Trustee and/or the Obligor shall pay such additional amounts as shall be necessary in order that the net amounts received by the Certificateholders and/or the Trustee (as applicable) after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

- (a) *Other connection*: to a Certificateholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of his having some connection with Jersey, other than the mere holding of the relevant Certificate;
- (b) *Surrender more than 30 days after the Relevant Date*: if the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the Certificateholder would have been entitled to such additional amounts on surrendering the Certificate for payment on the last day of such period of 30 days assuming that day to have been a Business Day.

As used in these Conditions, **Relevant Date** in respect of any Certificate means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Certificateholders that, upon further surrender of the relevant Registered Certificate being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

The provisions of this Condition 9 shall not apply in respect of any payments of principal and profit which fall due on or after the Tax Dissolution Date in respect of any Certificates which are the subject of a Tax Dissolution Notice.

## 10. Dissolution Events

- (a) *Dissolution Event*

Upon the occurrence of a Dissolution Event:

- (i) the Trustee shall promptly give notice of the occurrence of the Dissolution Event to the Certificateholders in accordance with Condition 7(c) (*Redemption following a Dissolution Event*) with a request to the Certificateholders to indicate to the Trustee if they wish the Certificates to be redeemed; and
- (ii) if so requested in writing by Certificateholders holding at least 30 per cent. of the then aggregate face amount of the Certificates outstanding or if so directed by an Extraordinary Resolution, the Trustee shall give notice (a **Dissolution Event Notice**) to the Obligor and the Certificateholders in accordance with Condition 13 (*Meetings of Certificateholders, Modification and Waiver*) that the Certificates are immediately due and payable at the Dissolution Event Amount, whereupon they shall become so due and payable. A Dissolution Event Notice may be given pursuant to this Condition 10(a)(ii) whether or not notice has been given to Certificateholders as provided in Condition 10(a)(i) above.

Upon receipt of such Dissolution Event Notice, the Trustee shall deliver an Exercise Notice under the Purchase Undertaking and thereafter execute the relevant sale agreement for the purchase of the Airtime Vouchers. The Trustee shall use the proceeds thereof to redeem the Certificates at the Dissolution Event Amount on the date specified in the relevant Dissolution Event Notice (the relevant **Dissolution Event Date**).

The foregoing provisions of this Condition 10(a) shall apply on each occasion (if any) on which a Dissolution Event occurs.

Upon payment in full of such amounts, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(b) *Enforcement and Exercise of Rights*

If, following the occurrence of a Dissolution Event, any amount payable in respect of the Certificates has not been paid in full (notwithstanding the provisions of Condition 10(a) (*Dissolution Event*)), the Trustee shall (acting for the benefit of the Certificateholders) take one or more of the following steps:

- (i) enforce the provisions of the Purchase Undertaking against the Obligor for all amounts due to be paid under the Airtime Purchase Agreement;
- (ii) enforce the provisions of a Guarantee against the relevant Guarantor;
- (iii) instruct the Security Agent to take any action to enforce the Business Premises Mortgage;
- (iv) enforce another provision of the Transaction Documents against the Obligor; and/or
- (v) take such other actions or steps or institute such proceedings as the Trustee may consider necessary to recover amounts due to the Certificateholders.

**11. Prescription**

Claims against the Trustee for payment in respect of the Certificates shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of periodic distribution amounts) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Certificates shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

**12. Replacement of Registered Certificates**

If any Registered Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Trustee may require. Mutilated or defaced Registered Certificates must be surrendered before replacements will be issued.

**13. Meetings of Certificateholders, Modification and Waiver**

(a) *Meetings of Certificateholders*

The Declaration of Trust contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Declaration of Trust. Such a meeting may be convened at any time by the Trustee or the Obligor.

In addition, the Trustee shall convene a meeting if it receives a written request to do so by Certificateholders holding not less than 10 per cent. in face amount of the Certificates for the time being outstanding. Notice of such meeting shall be given in accordance with the procedures set out in Condition 14 (*Notices*).

The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more Persons holding or representing not less than two-thirds of the aggregate face amount of the Certificates for the time being outstanding, or at any adjourned meeting one or more Persons holding



or representing not less than one-third of the aggregate face amount of the Certificates for the time being outstanding provided that the adjourned meeting is held within one month of the original meeting and at least one week's notice (in accordance with the procedures set out in Condition 14 (*Notices*)) is provided, unless the business of such meeting includes consideration of proposals, *inter alia*:

- (i) to amend a Scheduled Dissolution Date in respect of the Certificates or any date for payment of Periodic Distribution Amounts in respect of the Certificates;
- (ii) to reduce or cancel or vary the method for calculating the amount of any payment due (or potentially due on the exercise of an Optional Dissolution Right) in respect of the Certificates;
- (iii) to change any of the Obligor's or the Trustee's covenants set out in the Transaction Documents to which it is a party;
- (iv) to vary the currency of payment or denomination of the Certificates;
- (v) to amend a Guarantee;
- (vi) to modify the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass the Extraordinary Resolution; or
- (vii) to amend the above list,

(each a **Reserved Matter**), in which case the necessary quorum shall be one or more Persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than two-thirds, in face amount of the Certificates for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Certificateholders (whether or not they were present at the meeting at which such resolution was passed).

(b) *Modifications, Waivers, Authorisations and Determinations*

The Trustee may, without the consent of the Certificateholders:

- (i) agree to any modification of any of the provisions of the Declaration of Trust, any Certificate or the Transaction Documents (except the Guarantees) or the Trustee's memorandum and articles of association that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error; or
- (ii) (A) agree to any other modification (except as mentioned in the Declaration of Trust), or to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Declaration of Trust or the Transaction Documents; or (B) determine that any Dissolution Event shall not be treated as such provided that such modification, waiver, authorisation or determination is (x) in the opinion of the Trustee not materially prejudicial to the interests of the Certificateholders; (y) not in contravention of any express direction given by Extraordinary Resolution or request in writing by the holders of at least 30 per cent. of the outstanding aggregate face amount of the Certificates; and (z) other than in respect of a Reserved Matter.

Any such modification, authorisation, determination or waiver shall be binding on the Certificateholders and shall be notified to the Certificateholders in accordance with Condition 14 (*Notices*) as soon as practicable.

(c) *Entitlement of the Trustee*

In connection with the exercise of its functions (including, but not limited to, those referred to in this Condition 13) the Trustee shall have regard to the interests of the Certificateholders as a class and shall not have regard to the consequences of such exercise for individual Certificateholders and the Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the

Trustee or any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.

**14. Notices**

All notices regarding the Certificates will be valid if sent to the address of the relevant Certificateholder as specified in the Register. Any notice shall be deemed to be given five Business Days after despatch.

The Trustee shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any relevant authority to which it or the Obligor is subject. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may reasonably determine.

**15. Contracts (Rights of Third Parties) Act 1999**

No Person shall have any right to enforce any term or condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999.

**16. Governing Law and Dispute Resolution**

(a) *Governing Law*

The Transaction Documents (other than the Security Documents and the Guarantees) and the Certificates, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, English law. The Security Documents and the Guarantees, and any non-contractual obligation arising out of or in connection with them, shall be governed and construed in accordance with, the law of Kuwait.

(b) *Arbitration*

The Trustee and the Obligor have in the Declaration of Trust agreed that any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Declaration of Trust (including these Conditions and this Condition 16(b)) and the Certificates (including any dispute, claim, difference or controversy as to their existence, validity, interpretation, performance, breach or termination or the consequences of the nullity of any of them or a dispute relating to any non-contractual obligations arising out of or in connection with them) (a **Dispute**) shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the LCIA (the **Rules**), which Rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 16(b). For these purposes:

- (i) the seat of arbitration shall be London, England;
- (ii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the presiding arbitrator of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly, shall each nominate one arbitrator. If one party or both parties fail to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and
- (iii) the language of the arbitration shall be English.

(c) *Waiver of Interest*

- (i) Each of the Trustee and the Obligor has irrevocably agreed in the Declaration of Trust that no interest will be payable or receivable under or in connection therewith and, if it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any judicial or arbitral award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall promptly donate the same to a registered or otherwise officially recognised charitable organisation.
- (ii) For the avoidance of doubt, nothing in this Condition 16(c) shall be construed as a waiver of rights in respect of Periodic Distribution Amounts payable under the Certificates, Sales Proceeds (as defined in the Distribution Agreement) or profit of any kind howsoever described payable by the Obligor (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or the Conditions, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

## Part B

### Definitions and Interpretation

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Declaration of Trust unless the context otherwise requires or unless otherwise stated and provided that, in the event of any inconsistency between the Declaration of Trust and these Conditions, these Conditions will prevail.

#### 17. Definitions

In these Conditions, unless otherwise provided:

**Additional Airtime Sale Undertaking** means the additional airtime sale undertaking dated the Issue Date and granted by the Obligor for the benefit of the Trustee and includes the form of sale agreement to be entered into in accordance with the terms of the Additional Airtime Sale Undertaking.

**Additional Airtime Vouchers** means the additional airtime vouchers (each corresponding to a specified number of Airtime Minutes) sold by the Obligor and purchased by the Trustee from time to time following an exercise of the Additional Airtime Sale Undertaking (including all rights, interests, benefits and entitlements, present and future, in, to and under such additional airtime vouchers).

**Airtime Minutes** means a specified number of minutes of airtime sold in respect of the VMMEA Group's mobile telecommunications business.

**Airtime Purchase Agreement** means the airtime purchase agreement dated the Issue Date and entered into between the Trustee (acting in its capacities as purchaser and Trustee) and the Obligor (acting in its capacity as seller) relating to the sale and purchase of the Original Airtime Vouchers.

**Airtime Vouchers** means the Original Airtime Vouchers and any Additional Airtime Vouchers.

**authorised denominations** has the meaning given to it in Condition 1(a) (*Form and Denomination*).

**Business Day** means a day (other than a Friday, Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and Kuwait and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

**Certificateholder** means the Person in whose name a Certificate is registered in the Register.

**Change of Control Event** means an event where an entity or individual or group of entities or individuals (which in each case is not a shareholder on the Issue Date): (i) owns, directly or indirectly, more than 50 per cent. of the issued share capital of Connect Arabia Mobile Virtual Network Operator Services W.L.L.; or (ii) has the right to appoint the majority of the board of directors of Connect Arabia Mobile Virtual Network Operator Services W.L.L..

**Change of Control Notice** means a notice from the Trustee to the Certificateholders informing Certificateholders of the occurrence of a Change of Control Event.

**Change of Control Put Amount** means, in relation to each Certificate to be redeemed pursuant to the exercise of a Change of Control Put Right, the sum of:

- (i) the outstanding face amount of such Certificate; and
- (ii) any due and unpaid Periodic Distribution Amounts for such Certificate.

**Change of Control Put Date** means the tenth Business Day after the expiry of the Change of Control Put Period.

**Change of Control Put Notice** means a duly completed and signed notice from a Certificateholder wishing to exercise a Change of Control Put Right in the form (for the time being current) obtainable from the Trustee.

**Change of Control Put Period** means the period from the date falling five Business Days after the date of the Change of Control Notice to 30 days after the commencement of the period.

**Change of Control Put Right** means the right exercisable by a Certificateholder pursuant to Condition 7(d) (*Early Redemption following a Change of Control Event*).

**Day Count Fraction** means in respect of the calculation of a Periodic Distribution Amount in relation to the Certificates in accordance with Condition 6(b) (*Calculations*) the number of days in the period from (and including) the most recent Periodic Distribution Date to (but excluding) the relevant payment date divided by 360 (the number of days in such period to be calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the number of days elapsed).

**Dispute** has the meaning given to it in Condition 16(b) (*Arbitration*).

**Dissolution Amount** means a Final Dissolution Amount and/or an Optional Dissolution Amount.

**Dissolution Date** means a Final Dissolution Date and/or an Optional Dissolution Date.

**Dissolution Event** means an Obligor Event, Trustee Event or Guarantor Event.

**Dissolution Event Amount** means, in relation to each Certificate to be redeemed pursuant to Condition 7(c) (*Redemption following a Dissolution Event*), the sum of:

- (i) the outstanding face amount of such Certificate; and
- (ii) any due and unpaid Periodic Distribution Amounts for such Certificates.

**Dissolution Event Date** has the meaning given to it in Condition 10(a) (*Dissolution Event*).

**Dissolution Event Notice** has the meaning given to it in Condition 10(a) (*Dissolution Event*).

**Dissolution Event Right** means the right exercisable by a Certificateholder pursuant to Condition 10(a) (*Dissolution Event*).

**Distribution Agreement** means the distribution agreement dated the Issue Date and entered into between the Distributor and the Trustee (in its capacity as principal).

**Distributor** means VMMEA Obligor Limited in its capacity as distributor for and on behalf of the Trustee pursuant to the Distribution Agreement.

**Excluded Representations** means any representations given by the Obligor to the Trustee pursuant to the Transaction Documents.

**Extraordinary Resolution** has the meaning given to it in the Declaration of Trust.

**Final Dissolution Amounts** means:

- (i) the Dissolution Event Amount;
- (ii) a Scheduled Dissolution Amount; and/or
- (iii) the Tax Dissolution Amount.

**Final Dissolution Date** means:

- (i) the Dissolution Event Date;
- (ii) a Scheduled Dissolution Date; and/or

(iii) the Tax Dissolution Date.

**Final Scheduled Dissolution Date** means [x] July 2029.

**Guaranteed Amount** has the meaning given to it in each Guarantee.

**Guarantees** means the guarantees issued by each Guarantor in favour of the Trustee, in each case, dated on or around the Issue Date.

**Guarantor Event** means any Guarantor does not perform or comply with any one or more of its covenants, undertakings or other obligations under a Guarantee.

**Guarantors** means:

- (i) Moobility Telecom Kuwait Limited;
- (ii) Connect Arabia Mobile Virtual Network Operator Services W.L.L.;
- (iii) Impulse International for Telecommunications KSCC;
- (iv) Kuwait Telecommunications Company K.S.C.P.;
- (v) Wafra International Investment Company KSCC; and
- (vi) in respect of these Conditions only and where the context so requires, any person who executes a new guarantee pursuant to Condition 5 (*Covenants*).

**Issue Date** means [x] July 2022.

**Obligor Call Amount** means, in relation to each Certificate to be redeemed pursuant to the exercise of an Obligor Call Right, the sum of:

- (i) the outstanding principal of such Certificate;
- (ii) any due and unpaid Periodic Distribution Amounts for such Certificate up to the Obligor Call Date; and
- (iii) the sum of all scheduled payment(s) of Periodic Distribution Amounts for such Certificate for the Remaining Term as determined in accordance with these Conditions.

**Obligor Call Date** has the meaning given to it in Condition 7(e) (*Redemption following the exercise of an Obligor Call Right*).

**Obligor Call Notice** has the meaning given to it in Condition 7(e) (*Redemption following the exercise of an Obligor Call Right*).

**Obligor Call Right** means the rights exercisable by the Obligor pursuant to Condition 7(e) (*Redemption following the exercise of an Obligor Call Right*).

**Obligor Event** shall mean each of the following events:

- (i) *Non-payment*: the Obligor (acting in any capacity) fails to pay an amount payable by it pursuant to any Transaction Document to which it is a party which corresponds to all or a part of a Dissolution Amount payable by the Trustee on a Dissolution Date and the failure continues for a period of seven days, or the Obligor (acting in any capacity) fails to pay an amount payable by it pursuant to any Transaction Document to which it is a party which corresponds to all or part of a Periodic Distribution Amount payable by the Trustee on a Periodic Distribution Date and the failure continues for a period of 14 days; or
- (ii) *Breach of specified covenants*: the Obligor does not perform or comply with any one or more of its covenants or other obligations under Condition 5 (*Covenants*); or

- (iii) *Breach of other obligations*: without prejudice to paragraph (ii) above, the Obligor (acting in any capacity) does not perform or comply with any one or more of its covenants or other obligations in the Transaction Documents to which it is a party, and either such failure is incapable of remedy or, such failure (if capable of remedy) continues unremedied after a period of 30 days; or
- (iv) *Enforcement proceedings*: any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Obligor and is not discharged or stayed within 30 days; or
- (v) *Insolvency*: the Obligor is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or any part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Obligor; or
- (vi) *Winding-up*: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Obligor, or the Obligor shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Certificateholders; or
- (vii) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order: (x) to enable the Obligor lawfully to enter into, exercise its rights and perform and comply with its duties, obligations and undertakings under the Transaction Documents to which it is a party; (y) to ensure that those duties, obligations and undertakings are legally binding and enforceable; or (z) to make the Transaction Documents to which it is a party admissible in evidence in the courts of Jersey is not taken, fulfilled or done; or
- (viii) *Illegality*: it is or will become unlawful for the Obligor to perform or comply with any one or more of its duties, obligations and undertakings under any of the Transaction Documents or any duties, obligations or undertakings of the Obligor under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (ix) *Repudiation*: the Obligor repudiates any Transaction Document or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document; or
- (x) *Analogous events*: any event occurs which under the laws of the Jersey has an analogous effect to any of the events referred to in paragraphs (v), or (vi).

**Optional Dissolution Amount** means an Obligor Call Amount or a Change of Control Put Amount.

**Optional Dissolution Date** means an Obligor Call Date or a Change of Control Put Date.

**Optional Dissolution Right** means an Obligor Call Right or a Change of Control Put Right.

**Original Airtime Vouchers** means the airtime vouchers (each corresponding to a specified number of Airtime Minutes) acquired by the Trustee pursuant to the terms of the Airtime Purchase Agreement (including all rights, interests, benefits and entitlements, present and future, in, to and under such original airtime vouchers).

**Periodic Distribution Amount** has the meaning given to it in Condition 6(a) (*Periodic Distribution Amounts*).

**Periodic Distribution Date** means 31 March, 30 June, 30 September and 31 December in each year commencing on 30 September 2022.

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

**Profit Rate** means 9.25 per cent. per annum.

**Purchase Undertaking** means the purchase undertaking dated the Issue Date and granted by the Obligor for the benefit of the Trustee and includes the form of sale/transfer agreement to be entered into in accordance with the terms of the Purchase Undertaking.

**Record Date** means:

- (i) in the case of the payment of a Periodic Distribution Amount, the date falling on the 15th day before the relevant Periodic Distribution Date; and
- (ii) in the case of the payment of a Dissolution Amount, the date falling two Business Days before the date for payment of the relevant Dissolution Amount.

**Register** has the meaning given to it in Condition 2(a) (*Registration*).

**Registered Account** means the U.S. dollar account maintained by or on behalf of a Certificateholder with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the relevant Record Date.

**Registered Certificate** has the meaning given to it in Condition 1(a) (*Form and Denomination*).

**Relevant Date** has the meaning given to it in Condition 9 (*Taxation*).

**Remaining Term** means, with respect of any Certificate, the period from (and including) the Obligor Call Date to (but excluding) the final Scheduled Dissolution Date.

**Reserved Matter** has the meaning given to it in Condition 13(a) (*Meetings of Certificateholders, Modification and Waiver*).

**Return Accumulation Period** means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Periodic Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date.

**Rules** has the meaning given to it in Condition 16(b) (*Arbitration*).

**Sale Undertaking** means the sale undertaking dated the Issue Date and granted by the Trustee for the benefit of the Obligor and includes the form of sale/transfer agreement to be entered into in accordance with the terms of the Sale Undertaking.

**Scheduled Dissolution Amount** means:

- (i) on each Scheduled Dissolution Date (excluding the Final Scheduled Dissolution Date), U.S.\$325,000;
- (ii) on the Final Scheduled Dissolution Date, the sum of:
  - (A) an amount equal to the outstanding face amount of the Certificates on that date; and
  - (B) any due and unpaid Periodic Distribution Amounts in respect of the Certificates.

**Scheduled Dissolution Date** means 31 March, 30 June, 30 September and 31 December in each year, commencing 30 September 2024.

**Second Sukuk** means an issuance of a single tranche of certificates substantially in the same form as the Certificates and to rank *pari passu* with the Certificates, which the Issuer intends to issue in the future (the holders of which shall, for the avoidance of doubt, have the benefit of the Security Documents on a *pari passu* basis with the Certificateholders).

**Security Documents** means the Business Premises Mortgage and the Security Agency Agreement.



**Specified Office** means:

- (i) 4<sup>th</sup> Floor, Northern Suite, Channel House, Green Street, St Helier, Jersey JE2 4UH; or
- (ii) as otherwise notified to the Certificateholders in accordance with Condition 14 (*Notices*).

**Tax Dissolution Amount** means, in relation to each Certificate to be redeemed pursuant to Condition 7(b) (*Early Redemption for Tax Reasons*), the sum of:

- (i) the outstanding face amount of such Certificates; and
- (ii) any due and unpaid Periodic Distribution Amounts for such Certificate.

**Tax Dissolution Date** has the meaning given to it in Condition 7(b) (*Early Redemption for Tax Reasons*).

**Tax Dissolution Notice** has the meaning given to it in Condition 7(b) (*Early Redemption for Tax Reasons*).

**Tax Event** means the occurrence of either of the following events:

- (i) (A) the Trustee has or will become obliged to pay an additional amount as described under Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Jersey or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or
- (ii) (A) the Obligor has or will become obliged to pay additional amounts to the Trustee pursuant to the terms of any Transaction Document as a result of any change, or amendment to the laws or regulations of Jersey or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and (B) such obligations cannot be avoided by the Obligor taking reasonable measures available to it.

**Transaction Account** means the account in the Trustee's name held with Al Ahli Bank of Kuwait KSCP into which the Obligor will deposit all amounts due to the Trustee under the Transaction Documents, details of which will be notified to the Obligor.

**Transaction Documents** means:

- (i) the Declaration of Trust;
- (ii) the Airtime Purchase Agreement;
- (iii) the Distribution Agreement;
- (iv) the Purchase Undertaking;
- (v) the Sale Undertaking;
- (vi) the Additional Airtime Sale Undertaking;
- (vii) the Guarantees; and
- (viii) the Security Documents.

**Trust Assets** means:

- (i) the cash proceeds of the issue of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;

- (ii) any and all of the rights, title, interest, benefits and entitlements, present and future, of the Trustee in, to and under the Airtime Vouchers;
  - (iii) any and all of the interest, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding the Excluded Representations); and
  - (iv) any and all moneys standing to the credit of the Transaction Account from time to time,
- and all proceeds of the foregoing.

**Trustee Event** means any of the following events:

- (i) *Non-payment*: the Trustee fails to pay, or procure the payment of, a Dissolution Amount on a Dissolution Date and the failure continues for a period of seven days, or the Trustee fails to pay a Periodic Distribution Amount on a Periodic Distribution Date and the failure continues for a period of 14 days; or
- (ii) *Breach of specified covenants*: the Trustee does not perform or comply with any one or more of its covenants or other obligations under Condition 5 (*Covenants*) or its undertaking under Clause 10.3 of the Declaration of Trust; or
- (iii) *Breach of other obligations*: without prejudice to paragraph (ii) above, the Trustee does not perform or comply with any one or more of its covenants or other obligations in the Transaction Documents to which it is a party, and either such failure is incapable of remedy or such failure (if capable of remedy) continues unremedied after a period of 30 days; or
- (iv) *Enforcement proceedings*: any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Trustee and is not discharged or stayed within 30 days; or
- (v) *Insolvency*: the Trustee is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or any part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Trustee; or
- (vi) *Winding-up*: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Trustee, or the Trustee shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Certificateholders; or
- (vii) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order: (x) to enable the Trustee lawfully to enter into, exercise its rights and perform and comply with its duties, obligations and undertakings under the Certificates and the Transaction Documents to which it is a party; (y) to ensure that those duties, obligations and undertakings are legally binding and enforceable; or (z) to make the Certificates and the Transaction Documents to which it is a party admissible in evidence in the courts of Jersey is not taken, fulfilled or done; or
- (viii) *Illegality*: it is or will become unlawful for the Trustee to perform or comply with any one or more of its duties, obligations and undertakings under any of the Certificates or the Transaction Documents or any duties, obligations or undertakings of the Trustee under the Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (ix) *Repudiation*: the Trustee repudiates any Certificate or any Transaction Document or does or causes to be done any act or thing evidencing an intention to repudiate any Certificate or any Transaction Document; or

- (x) *Analogous events*: any event occurs that under the laws of Jersey has an analogous effect to any of the events referred to in paragraph (v) or (vi) above.

**VMMEA Group** means Moobility Telecom International Holding Ltd and its subsidiaries.

**18. Interpretation**

- (i) References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.
- (ii) References to **wilful default** or **actual default** mean a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party.
- (iii) References in these Conditions to “principal” and/or “profit” shall be deemed to include any additional amounts that may be payable under the Conditions or any undertaking given in addition to or in substitution for it under the Declaration of Trust.

### **USE OF PROCEEDS**

The proceeds of the Certificates will be applied by the Trustee to acquire Airtime Vouchers from the Obligor pursuant to the Airtime Purchase Agreement. Thereafter, the Obligor shall enter into a Shari'a compliant financing arrangement with VMK for the value of such proceeds and VMK shall use such financing for general corporate purposes in respect of the launch of the Virgin Mobile brand in Kuwait.

## DESCRIPTION OF THE TRUSTEE

### Introduction

The Trustee was incorporated in a *Shari'ah* compliant manner in Jersey on 18 October 2021 as a private limited company under the Companies (Jersey) Law 1991, as amended with registered number 138747. The registered office of the Trustee is 4<sup>th</sup> Floor, Northern Suite, Channel House, Green Street, St Helier, Jersey JE2 4UH. The Trustee's authorised share capital, at the date of this Information Memorandum, is £10,000 divided into 10,000 shares of £1.00 each, of which one share is fully paid up and issued, which is held by Belasko Trustees Jersey Limited, which holds such shares under the terms of a purpose trust known as The Belasko Purpose Trust.

The affairs of the Trustee are managed by Belasko Jersey Limited (the **Trustee Administrator**), who will provide, amongst other things, certain administrative services for and on behalf of the Trustee pursuant to the Corporate Services Agreement dated 15 November 2021 between the Trustee and the Trustee Administrator.

Under its memorandum of association, the Trustee has capacity to do all such things as are permitted by law.

The Trustee was established to raise capital by the issue of Certificates and to use the net proceeds of such issuance to purchase the Airtime Vouchers pursuant to the Airtime Purchase Agreement.

Since its incorporation, the Trustee has not engaged in any material activities other than those incidental to its incorporation under the Companies (Jersey) Law 1991, as amended, the authorisation and issue of the Certificates, the matters contemplated in this Information Memorandum, the authorisation of the other Transaction Documents referred to in this Information Memorandum or in connection with the issue of the Certificates and other matters which are incidental or ancillary to those activities. The Trustee has no employees.

There is no intention to accumulate surplus cash in the Trustee except in the circumstances set out in the Declaration of Trust. There is no requirement under the law of Jersey for the Trustee to register or publish audited or unaudited accounts.

### Directors and Secretary

At the date of this Information Memorandum, the directors of the Trustee and their respective business addresses and principal activities or business occupations are:

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities Outside the Trustee</i>
Frederick Mark O'Malley	4 <sup>th</sup> Floor, Northern Suite, Channel House, Green Street, St Helier, Jersey JE2 4UH	Director
Andrew James Gray	4 <sup>th</sup> Floor, Northern Suite, Channel House, Green Street, St Helier, Jersey JE2 4UH	Director

At the date of this Information Memorandum, the Company Secretary of the Trustee is Belasko Jersey Limited with the business address 4<sup>th</sup> Floor, Northern Suite, Channel House, Green Street, St Helier, Jersey JE2 4UH.

The directors of the Trustee are individuals who are also directors of (i) Belasko Corporate 3 Limited and Belasko Corporate 4 Limited, the corporate directors of the Obligor; (ii) Belasko Trustees Jersey Limited, the registered shareholder of the Trustee; and Belasko Jersey Limited (of which they are also employees). Belasko Jersey Limited is both the Trustee Administrator and Obligor Administrator and the Company Secretary of both the Trustee and the Obligor. Otherwise, there are no potential conflicts of interest between any duties toward the Trustee of any of the persons referred to above and their respective private interests and/or duties.

The Trustee's activities will comprise the issue of Certificates, the purchase of the Airtime Vouchers pursuant to the Airtime Purchase Agreement, Additional Airtime Sale Undertaking Deed, the entering into all documents relating to such issue and purchase to which it is expressed to be a party and the exercise of related rights and powers and other activities referred to in this Information Memorandum or reasonably incidental to those activities.

## DESCRIPTION OF THE OBLIGOR

### Introduction

The Obligor was incorporated in Jersey on 29 November 2021 as a private limited company under the Companies (Jersey) Law 1991, as amended with registered number 139611. The registered office of the Obligor is 4<sup>th</sup> Floor, Northern Suite, Channel House, Green Street, St Helier, Jersey JE2 4UH. The Obligor's authorised share capital, at the date of this Information Memorandum, is £10,000 divided into 10,000 shares of £1.00 each, of which one share is fully paid up and issued, which is held by Moobility Telecom Kuwait Limited.

The affairs of the Obligor are managed by Belasko Jersey Limited (the **Obligor Administrator**), who will provide, amongst other things, certain administrative services for and on behalf of the Obligor pursuant to the Corporate Services Agreement dated 7 December 2021 between the Obligor and the Obligor Administrator.

Under its memorandum of association, the Obligor has capacity to do all such things as are permitted by law.

The Obligor was established to participate in the Issuer's capital raising by acting as Obligor under the Transaction Documents.

Since its incorporation, the Obligor has not engaged in any material activities other than those incidental to its incorporation under the Companies (Jersey) Law 1991, as amended, the matters contemplated in this Information Memorandum, the authorisation of the other Transaction Documents referred to in this Information Memorandum and other matters which are incidental or ancillary to those activities. The Obligor has no employees.

There is no requirement under the law of Jersey for the Obligor to register or publish audited or unaudited accounts.

### Directors and Secretary

At the date of this Information Memorandum, the directors of the Obligor and their respective business addresses and principal activities or business occupations are:

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities Outside the Obligor</i>
Belasko Corporate 3 Limited	4 <sup>th</sup> Floor, Northern Suite, Channel House, Green Street, St Helier, Jersey JE2 4UH	Corporate director
Belasko Corporate 4 Limited	4 <sup>th</sup> Floor, Northern Suite, Channel House, Green Street, St Helier, Jersey JE2 4UH	Corporate director

At the date of this Information Memorandum, the Company Secretary of the Obligor is Belasko Jersey Limited with the business address 4<sup>th</sup> Floor, Northern Suite, Channel House, Green Street, St Helier, Jersey JE2 4UH.

The directors of the Obligor are corporate directors of which the individual directors of the Trustee are themselves directors. Such individuals are also directors of (i) Belasko Trustees Jersey Limited, the registered shareholder of the Trustee; and (ii) Belasko Jersey Limited (of which they are also employees). Belasko Jersey Limited is both the Trustee Administrator and Obligor Administrator and the Company Secretary of both the Trustee and the Obligor. Otherwise, there are no potential conflicts of interest between any duties toward the Obligor of any of the persons referred to above and their respective private interests and/or duties.

The Obligor's activities will comprise the sale of the Airtime Vouchers pursuant to the Airtime Purchase Agreement, Additional Airtime Sale Undertaking Deed, the entering into all documents relating to such purchase to which it is expressed to be a party and the exercise of related rights and powers and other activities referred to in this Information Memorandum or reasonably incidental to those activities.

## OVERVIEW OF THE GUARANTORS

### OVERVIEW OF THE VMMEA GROUP

VMK is a limited liability company established pursuant to the laws of Kuwait with company number 405528 and has its registered office at Mabaneer 1 Building, Floor 1, Office 5, Salhiya Street, Kuwait City, Kuwait.

VMMEA is a company established pursuant to the laws of British Virgin Island with company number 1733801 and has its registered address at Mill Mall, Suite 6, Wickhams Cay 1, P.O. Box 3085, Road Town, Tortola, British Virgin Island.

VMK and VMMEA are entities within the VMMEA Group.

The VMMEA Group has established a position as the leading Mobile Virtual Network Operator (**MVNO**) across the MEA with current MVNO operations in Kuwait, Oman and Saudi Arabia and a B-Brand operation in UAE. The VMMEA Group has successfully acquired more than 3 million customers as at 31 December 2020 across the MVNO markets.

The VMMEA Group markets its services and products under two brands: Virgin Mobile and FRiENDi mobile. The VMMEA Group also provides outsourced services to mobile network operators by operating mobile services on their behalf. Its growth strategy going forward includes penetrating new markets across the MEA region and expansion of its products and services, including mobile financial services, insurance and content.

The VMMEA Group launched its operations in 2009 in Oman under the FRiENDi brand. The Oman business turned EBITDA positive after two years of full operations as a result of rapid gain in market share in Oman and achieving more than 500,000 customers.

In Saudi Arabia, FRiENDi mobile was launched in 2011 as a B-brand on the Zain network, after which the VMMEA Group secured an MVNO license in Saudi Arabia, and switched to being a MVNO utilising STC's network in October 2014. Since the re-launch on the STC network, there has been an impressive growth in the Saudi operation, with the number of customers reaching 2.8 million by the end of 2017. The Saudi operation has been EBITDA positive (after royalty payments) since 2017.

In March 2021, the Communications and Information Technology Regulatory Authority issued a final MVNO licence to Virgin Mobile Kuwait. In June 2021, a partnership agreement was signed to secure equity investment from the VMMEA Group and certain local investors. Commercial launch in Kuwait is expected in the second quarter of 2022.

In September 2017, the Virgin Mobile brand was launched commercially in the UAE market via entering an advisory services agreement with EITC.

For the twelve months ended 31 December 2020, the VMMEA Group, generated a turnover of U.S.\$250.1 million and its EBITDA was U.S.\$8.9 million as at 31 December 2020.

For the twelve months ended 31 December 2019, the VMMEA Group generated a turnover of U.S.\$286.1 million and its EBITDA was U.S.\$8.9 million as at 31 December 2019. As the VMMEA Group is an MVNO and utilises an MNO's network, the VMMEA Group incurs relatively low capital expenditure in comparison to the other major mobile communications providers in the region.

### **Key facts relating to the VMMEA Group**

#### **MVNO leader in the MEA region**

- The VMMEA Group has been an early mover and is the market leading MVNO in MEA with more than 2.8 million customers as at 31 July 2021.
- The VMMEA Group has experienced particularly strong growth in Saudi Arabia, where it had approximately 2.1 million customers as at 31 December 2020. Saudi Arabia is a key target market in the GCC because of its large target population (greater than 30 million).

- The VMMEA Group has a strong presence in Oman, with more than 0.5 million customers as at 31 December 2020, which is equivalent to a market share among the best performing MVNO players globally.
- The Virgin Mobile brand has been launched in the UAE from September 2017.
- The Virgin Mobile brand is expected to launch in Kuwait in the second quarter of 2022.
- The VMMEA Group complements MNOs by servicing sub-segments in the local telecommunications market that are typically underserved by the host operator.

**It leverages the appeal of the Virgin Mobile and FRiENDi mobile brands**

- The world-renowned Virgin Mobile brand proves global brand familiarity benefits to the VMMEA Group's business.
- The VMMEA Group is strategically positioned to tap the growing young population base (with high mobile data needs) in the MEA markets, and to benefit from the Virgin Mobile brands' perception of being a youthful offering, whilst simultaneously catering to the price-conscious lower income population through its FRiENDi brand.

**The VMMEA Group has an attractive financial profile with strong growth and positive EBITDA**

As at 31 December 2020, it had:

- positive EBITDA of approximately U.S.\$13.9 million, representing over 55 per cent. growth year on year;
- long-term agreements with mobile operators with no extra capital expenditure to be incurred on renewal, which provides visibility in respect of long-term recurring revenue;
- an asset-light service-based business model which involves lower capital expenditure in comparison to MNOs, which enables quick rollout of new services in new geographies;
- low leverage in comparison to traditional MNOs; and
- a positive net cash position.

**Prominent and supportive investor base**

As at the date of this Information Memorandum, the VMMEA Group has three main types of shareholders:

- strategic partners (which own approximately 34 per cent. of the VMMEA Group): including Virgin Group and Gulf Investment Corporation (**GIC**);
- financial investors (which own approximately 28 per cent. of the VMMEA Group) including ePlanet Capital, Dolphin International, National Technology Enterprises Company (a fully owned subsidiary of the Kuwait Investment Authority) and others; and
- management, employee stock ownership plan (ESOP) and founding investors.

The shareholders of the VMMEA Group are currently in negotiations with a third party for the sale and purchase of a majority of shares in the VMMEA Group. As at the date of this Information Memorandum, a sale and purchase agreement has been entered into. The acquisition remains subject to the completion of certain conditions precedent and all relevant consents and authorisations being obtained.

**Strong management team with a proven successful track record of execution**



The VMMEA Group 's business model is a proven success, with the management team having years of MNO and MVNO business experience, further being backed by Virgin Group and a diverse and sound shareholder base.

### **Response to the COVID-19 pandemic**

As noted in "*Risk Factors—Risk Factors relating to the VMMEA Group's industry—The outbreak of communicable diseases around the world, in particular the COVID-19 pandemic, has led to economic volatility, which may materially and adversely affect the VMMEA Group's business, financial condition and results of operations*", the VMMEA Group experienced several adverse impacts on its business across the MEA region. The VMMEA Group took measures to reduce the general disruption to retail sales by maximising pre-existing capabilities such as its one-hour delivery-to-home SIM courier service and remote SIM activation methods which negated the need for customers to be physically present in a retail outlet to purchase or activate a SIM subscription. Both such services were made available to customers in the UAE and Saudi Arabia before the onset of the COVID-19 pandemic. Furthermore, the VMMEA Group was able to quickly transition to the remote provision of customers services at the outset of the COVID-19 pandemic to reduce disruption to customers. As a digital-first communications company, many customer services are available via the VMMEA app, reducing the need for customers to access to manned services.

The VMMEA Group also embraced the shift to non-office based working patterns to minimise the disruption from periodic closures of its offices during quarantine periods in the MEA region. A range of employee health and safety measures such as company paid-for regular COVID-19 testing, distancing and mask-wearing rules allowed a partial return to work for staff who wished to return to the VMMEA Group's offices.

### **OVERVIEW OF IMPULSE**

Impulse is a Kuwaiti shareholding company with commercial registration number 132532 and whose registered office is at 27/F, KIPCO Tower, Al Shuhadaa Street, Sharq, PO Box 2294, Safat 13023, Kuwait. Impulse is a fully owned subsidiary of the National Technology Enterprise (NTEC) which is a fully owned subsidiary of the Kuwait Investment Authority.

Impulse invests in high potential companies that are fully developed or at the forefront of developing new technologies, utilising its investment tools such as private equity, venture capital and direct investment to lead both government and private sectors in the development and application of leading edge technology including: communications and networks infrastructure, e-commerce and m-commerce, software as a service (SaaS) and cloud solutions and education and content. As a strategic investor, Impulse invests in innovative companies in these areas that provide sound business methods, pioneering advances in technology and robust management structure. Impulse has a proven track record in transmutating successful business models to the Middle East and North Africa region.

### **OVERVIEW OF STC KUWAIT**

STC Kuwait is a Kuwaiti shareholding company incorporated pursuant to the Amiri Decree No. 187 on 22 July 2008 to operate and manage with the third 'Global System for Mobile communication' (GSM) versatile system in Kuwait according to Law No. 2 of 2007. Its registered office is Olympia Mall Building, Al Khansa Street, 5<sup>th</sup>-20<sup>th</sup> Floor, P.O. Box 181, Kuwait. The shares of STC Kuwait were listed on Boursa Kuwait on 14 December 2014 and it is a subsidiary of STC, which is listed on the Saudi Stock Exchange.

STC Kuwait was registered in the commercial register on 9 November 2008 under registration number 329673 and commenced its commercial operations branded as VIVA on 3 December 2008. STC Kuwait changed its brand name on 19 December 2019 from VIVA to stc.

STC Kuwait was incorporated to provide cellular mobile telecommunication and calling system services in Kuwait in accordance with the provisions of Islamic Shari'ah and as per the criteria set by the Ministry of Communications in Kuwait.

Electronic copies of STC Kuwait's most recent consolidated financial statements are available for inspection at <https://www.stc.com.kw/sites/stc/en/m/investor-relations>

### **OVERVIEW OF WAFRA**

Wafra is a closed Kuwaiti shareholding company incorporated and domiciled in Kuwait. Its registered office is Al-Murqab, Abdulla Al-Mubark Street Block 1, Avenue #800012, Twin Tower, P.O. Box 27635, safat 13137, Kuwait. Wafra is wholly owned by The Public Institution for Social Security (**PIFSS**). Wafra is regulated by the Central Bank of Kuwait and the CMA as a finance and investment company, respectively.

Wafra manages different types of portfolios and investment funds and was established to preserve and maximise the money of PIFSS. Accordingly, its investment policies and administrative governance follow several primary axes: diversity; precaution; and transparency. Wafra's investment strategy is based on the principle of diversification with regards to sectors and geographical distribution. This includes the use of various investment tools and products which provide efficient balance between risk boundaries and percentage of returns, for portfolios managed for medium and long-term duration. As at 31 December 2020, its assets under management were approximately KD 2.25 billion, its capital was approximately KD 15 million and shareholders' equity was approximately KD 90 million.

Electronic copies of Wafra's most recent consolidated financial statements are available for inspection at <https://wafrainv.com/corporate-documents/?lang=en>.

## TAXATION

THE FOLLOWING IS A GENERAL DESCRIPTION OF CERTAIN TAX CONSIDERATIONS RELATING TO THE CERTIFICATES. IT DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS RELATING TO THE CERTIFICATES. PROSPECTIVE PURCHASERS OF CERTIFICATES SHOULD CONSULT THEIR TAX ADVISERS AS TO THE CONSEQUENCES UNDER THE TAX LAWS OF THE COUNTRY OF WHICH THEY ARE RESIDENT FOR TAX PURPOSES OF ACQUIRING, HOLDING AND DISPOSING OF CERTIFICATES AND RECEIVING PAYMENTS OF PROFIT, PRINCIPAL AND/OR OTHER AMOUNTS UNDER THE CERTIFICATES. THIS SUMMARY IS BASED UPON THE LAW AS IN EFFECT ON THE DATE OF THIS INFORMATION MEMORANDUM AND IS SUBJECT TO ANY CHANGE IN LAW THAT MAY TAKE EFFECT AFTER SUCH DATE.

### Kuwait

*This summary of taxation in Kuwait is based on the Kuwait Income Tax Decree No. 3 of 1955, as amended by Law No. 2 of 2008 "Amending Certain Provisions of Kuwait Income Tax Decree No. 3 of 1955" (the **Amendment**), the Executive Bylaws of the Amendment (the **Regulations**), and various ministerial resolutions and circulars relating thereto issued by the Administrative Resolution (together, the **Taxation Laws**) as interpreted and implemented by the Kuwait Ministry of Finance's Department of Income Tax (**DIT**) as at the date of this Information Memorandum. Any subsequent changes in either the Taxation Laws or the interpretation or implementation of the same by the DIT would alter and affect this summary.*

### **Income tax**

Under the Taxation Laws, income tax (at a flat rate of 15 per cent.) is levied on, *inter alia*, the net income and capital gains realised by any corporate entity (interpreted by the DIT to mean any form of company or partnership), wherever incorporated, that conducts business in Kuwait. However, the DIT to date has granted a concession to such corporate entities incorporated in Kuwait or in any other GCC country (being referred to in this Information Memorandum as **GCC corporate entities**) and has only imposed income tax on corporate entities which are not GCC corporate entities (being referred to in this Information Memorandum as **non-GCC corporate entities**) which, for the avoidance of doubt, include shareholders of GCC corporate entities which are themselves non-GCC corporate entities, in each case, conducting business in Kuwait. The following paragraphs in this section are therefore applicable only to non-GCC corporate entities.

Pursuant to Article 150 (bis), yields of securities, bonds, finance sukuk and all other similar securities regardless of the issuer thereof shall be exempted from taxation. Article 150 (bis) was acknowledged by the Administrative Resolution.

However, see "*Risk Factors – Risk Factors Relating to Taxation – The application and enforcement of the Kuwaiti income tax regime is uncertain, and holders of the Certificates which are "non-GCC corporate entities" may become subject to the Kuwaiti income tax regime in certain limited circumstances*".

Individuals are not subject to any Kuwaiti income tax on their income or capital gains.

### **Retention**

Under the Regulations, a Kuwaiti-based party making a payment (being referred to in this section as the payer) to any other party (being referred to in this section as the payee), wherever incorporated, is obliged to deduct five per cent. of the amount of each such payment until such time as the DIT issues a tax clearance certificate approving the release of such amount. Unlike with withholding tax, the payer is not required to transfer directly the deducted amount to the DIT immediately, but instead retains such amount and releases it either (i) to the payee upon presentation to the payer by such payee of a tax clearance certificate from the DIT confirming that the payee is not subject to or is exempt from income tax, or has realised a loss, or has paid or guaranteed the payment of its income tax; or (ii) in the absence of such a tax clearance certificate, to the DIT, on demand.

According to a literal interpretation of the Regulations, payments which are subject to a deduction as described above would include payments by the Obligor to the Trustee under the Transaction Documents to which it is a party. Given that neither Article 150 (bis) nor the Administrative Resolution address the issue of whether or not there remains an obligation, as described above, to make a deduction, a payer (such as the Obligor) could be

required to deduct five per cent. from every payment made by it to a payee (such as the Trustee), which amount would be released by the payer upon presentation to it by the payee of a tax clearance certificate from the DIT.

However, the Certificateholders shall be able to rely on the provisions in the Transaction Documents, which require the Trustee, the Obligor or the Guarantors (as applicable) to gross up each payment by an amount equal to any deduction, irrespective of whether a tax clearance certificate is presented or not.

#### ***Other taxes***

Save as described above, all payments in respect of the Certificates and the Transaction Documents may be made without withholding, deduction or retention for, or on account of, present taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of Kuwait.

No stamp, registration or similar duties or taxes will be payable in Kuwait by holders of Certificates in connection with the issue or any transfer of the Certificates.

#### **The Proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced, apply to certain dealings in Certificates (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State; or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Certificates are advised to seek their own professional advice in relation to the FTT.

#### **Common Reporting Standard**

The OECD has developed a new global standard (the **Common Reporting Standard** or the **CRS**) for the automatic exchange of financial information between tax authorities. The CRS was implemented in the European Union by the Revised Directive on Administrative Co-Operation (Council Directive 2014/107/EU). Legislation has been enacted in Jersey to implement the CRS, which requires "reporting financial institutions" in Jersey to identify, review and report on "financial accounts" maintained by them and which are held by residents (for tax purposes) or entities with "Controlling Persons" who are residents (for tax purposes) of jurisdictions with which Jersey has agreed to exchange information. In outline, reports will be made to the Jersey Comptroller of Revenue and then passed to the competent authority of the jurisdiction in which the account holder is resident. Prospective purchasers of Certificates should consult their tax advisers as to the potential CRS tax reporting and certification requirements associated with a purchase of Certificates.

## SUBSCRIPTION AND SALE

The Subscription Agent has entered into a subscription agreement with the Trustee to procure subscribers to the Certificates.

### United States

The Certificates have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States and may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state or local state laws. Terms used in this paragraph have the meanings given to them by Regulation S.

The Subscription Agent has agreed that it will not offer or sell the Certificates (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Certificates during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Certificates are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of Certificates, an offer or sale of Certificates within the United States by a dealer/manager that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### Prohibition of Sales to EEA Retail Investors

The Subscription Agent has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates to any retail investor in the EEA. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### Prohibition of Sales to UK Retail Investors

The Subscription Agent has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates to any retail investor in the UK. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

### United Kingdom

The Subscription Agent has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section

21 of the FSMA) received by it in connection with the issue or sale of the Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Obligor; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

#### **Jersey**

The Subscription Agent has represented and agreed that it has not made and will not make any offer of Certificates to the public.

#### **State of Kuwait**

The Subscription Agent has represented and agreed that the Certificates have not been and will not be offered, marketed and/or sold by it in Kuwait, except through a licensed person duly authorised to undertake such activity pursuant to Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and Regulating of Securities Activities and its executive bylaws (each as amended) (the **CML Rules**) and unless all necessary approvals from the CMA pursuant to the CML Rules, together with the various resolutions, regulations, directives and instructions issued pursuant thereto or in connection therewith (regardless of nomenclature or type), or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing and/or sale of the Certificates.

#### **United Arab Emirates (excluding Dubai International Financial Centre)**

The Subscription Agent has represented and agreed that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

#### **Dubai International Financial Centre**

The Subscription Agent has represented and agreed that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

#### **Saudi Arabia**

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Certificates.

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a **Saudi Investor**) who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 9 or Article 10 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 27 December 2017, as amended by the Board of the Capital Market Authority resolution number 1-7-2021 dated 14 January 2021 (the **KSA Regulations**), made through an authorised person licensed to carry out arranging activities by the Capital Market Authority and following a notification to the Capital Market Authority under Article 11 of the KSA Regulations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "*Sophisticated Investors*" under Article 9 of the KSA Regulations or by way of a limited offer under Article 10 of the KSA Regulations.

The Subscription Agent has represented and agreed that any offer of Certificates made by it to a Saudi Investor will be made in compliance with Article 11 and either Article 9 or Article 10 of the KSA Regulations.

Each offer of Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 15 of the KSA Regulations. Any Saudi Investor who has acquired Certificates pursuant to a private placement under Article 9 or Article 10 of the KSA Regulations may not offer or sell those Certificates to any person unless the offer or sale is made through an authorised person appropriately licensed by the Capital Market Authority and: (i) the Certificates are offered or sold to a Sophisticated Investor (as defined in Article 9 of the KSA Regulations); (ii) the price to be paid for the Certificates in any one transaction is equal to or exceeds Saudi Riyal 1 million or an equivalent amount; or (iii) the offer or sale is otherwise in compliance with Article 15 of the KSA Regulations.

## **Singapore**

The Subscription Agent acknowledges that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Subscription Agent has represented and agreed that it has not offered or sold any Certificates or caused the Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (as modified or amended from time to time, the SFA)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) under Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offer of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

*Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Certificates are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

## **General**

The Subscription Agent has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Certificates

or possesses or distributes this Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer and the Obligor shall have any responsibility therefor.

None of the Trustee, the Obligor, the Guarantors or the Subscription Agent (i) makes any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any Certificates, or possession or distribution of the Information Memorandum, any other offering, material, in any country or jurisdiction where action for that purpose is required; or (ii) represents that Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.



## GENERAL INFORMATION

### Authorisation

The issue of the Certificates was duly authorised by a resolution of the board of directors of the Trustee dated [x] July 2022 and by the board of directors of the Obligor dated [x] July 2022.

### Litigation

Neither the Trustee nor the Obligor has been involved in any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency since its incorporation.

### Auditors

Neither the Trustee nor the Obligor are required by Jersey law, and neither intend, to publish audited financial statements or appoint any auditors. However, Certificateholder(s) holding at least 10 per cent. in face amount of the outstanding Certificates may at any time and from time to time request in writing that the Trustee and/or Obligor (at the expense of the requesting Certificateholder(s)) appoints auditors to examine the accounts of the Trustee and/or Obligor and report thereon in accordance with the Companies (Jersey) Law 1991, as amended.

**ISSUER AND TRUSTEE**

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Jersey JE2 4UH

**OBLIGOR**

**VMMEA Obligor Limited**

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**SECURITY AGENT**

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*To the Issuer and the Obligor as to Jersey law*

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**SHARI'AH CONSULTANT**

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