BASE PROSPECTUS

MAF SUKUK LTD.

(incorporated in the Cayman Islands with limited liability)

U.S.$1,500,000,000
Trust Certificate Issuance Programme

Under the U.S.$1,500,000,000 trust certificate issuance programme described in this Base Prospectus (the "**Programme**"), MAF Sukuk Ltd. (in its capacities as issuer and as trustee, the "**Trustee**"), subject to compliance with all applicable laws, regulations and directives, may from time to time issue trust certificates (the "**Certificates**") in any currency agreed between the Trustee and the relevant Dealer (as defined below).

Certificates may only be issued in registered form. The maximum aggregate face amount of all Certificates from time to time outstanding under the Programme will not exceed U.S.$1,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

Each Tranche (as defined herein) of Certificates issued under the Programme will be constituted by (i) an amended and restated master trust deed (the "**Master Trust Deed**") dated 31 May 2016 entered into between the Trustee, Majid Al Futtaim Properties LLC ("**Majid Al Futtaim Properties**"), Majid Al Futtaim Holding LLC ("**Majid Al Futtaim Holding**" or the "**Guarantor**") and Citibank, N.A., London Branch as delegate of the Trustee (the **Delegate**, which expression shall include any co-Delegate or any successor) and (ii) a supplemental trust deed (the "**Supplemental Trust Deed**" and, together with the Master Trust Deed, each a "**Trust Deed**") in relation to the relevant Series which shall be entered into in respect of the first Tranche of Certificates. Certificates of each Tranche confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from a *pro rata* ownership interest in the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**") over the Trust Assets (as defined below) which will include, *inter alia*, (i) the relevant Wakala Portfolio (as defined herein); and (ii) the Transaction Documents (as defined below). Majid Al Futtaim Properties has certain obligations under the Master Lease Agreement, the Master Murabaha Agreement and the Management Agreement including the payment of certain amounts to the Trustee which are intended to be sufficient to fund the Periodic Distribution Amounts payable by the Trustee under the relevant Tranche and shall be applied by the Trustee for that purpose. See "*Structure Diagram and Cash Flows / Description of the Programme—Structure Diagram and Cash Flows*" for further details.

Pursuant to the Master Trust Deed, the Guarantor will unconditionally and irrevocably guarantee (the "**Guarantee**") in favour of the Trustee the due and punctual payment by Majid Al Futtaim Properties of the Guaranteed Amounts (as defined herein) in respect of each Tranche.

The Certificates may be issued on a continuing basis to one or more of the Dealers (each a "**Dealer**" and together the "**Dealers**") specified under "*Structure Diagram and Cash Flows / Description of the Programme—Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Trustee, Majid Al Futtaim Properties and the Guarantor, which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Certificates.

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

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union ("**EU**") law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for Certificates issued under this Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the "**Irish Official List**") and trading on its regulated market (the "**Main Securities Market**"). Such approval relates only to Certificates which are to be admitted to trading on its Main Securities Market or any other regulated markets for the purposes of Directive 2004/39/EU (each such regulated market being a "**MiFID Regulated Market**"). The Main Securities Market is regulated for the purposes of MiFID.

This Base Prospectus has been approved by the Dubai Financial Services Authority (the "**DFSA**") under Markets Rule 2.6 of the DFSA. Application has also been made to the DFSA for Certificates issued under this Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of securities maintained by the DFSA (the **Dubai Official List**) and to NASDAQ Dubai for such Certificates to be admitted to trading on NASDAQ Dubai. An application may be made for any Tranche (as defined under *"Terms and Conditions of the Certificates"*) to be admitted to trading on NASDAQ Dubai.

References in this Base Prospectus to Certificates being "**listed**" (and all related references) shall mean that: (i) such Certificates have been admitted to trading on the Main Securities Market and have been admitted to the Irish Official List and/or (ii) such Certificates have been admitted to trading on NASDAQ Dubai and have been admitted to the Dubai Official List.

The Programme provides that Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, Majid Al Futtaim Properties, the Guarantor and the relevant Dealer(s). The Trustee may also issue unlisted Certificates and/or Certificates not admitted to trading on any market.

Notice of the aggregate face amount of Certificates and certain other terms and conditions which are applicable to each Tranche will be set out in a final terms document (the "**applicable Final Terms**") which, with respect to Certificates to be listed on the Irish Stock Exchange, will be delivered to the Central Bank and the Irish Stock Exchange and which, with respect to Certificates to be listed on NASDAQ Dubai, will be delivered to the DFSA and NASDAQ Dubai.

The Trustee and Majid Al Futtaim Properties may agree with any Dealer that Certificates may be issued with terms and conditions not contemplated by the Terms and Conditions of the Certificates herein, in which event a supplemental Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.

Neither the Certificates nor the Guarantee have been nor will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") nor with any securities regulatory authority of any state or other jurisdiction of the United States and the Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, Certificates may be offered or sold solely to persons who are not U.S. persons (as defined in Regulation S) outside the United States in reliance on Regulation S. Each purchaser of the Certificates is hereby notified that the offer and sale of Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

Each of Standard & Poor's Credit Market Services France SAS ("**S&P**") and Fitch Ratings Limited ("**Fitch**") has rated Majid Al Futtaim Holding. Each of S&P and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of S&P and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the CRA Regulation.

Fitch has rated Majid Al Futtaim Holding's long-term issuer default rating and senior unsecured rating at 'BBB', with a stable outlook. Fitch has rated Majid Al Futtaim Holding's short-term issuer default rating at 'F3'. Fitch has not independently rated the Issuer or Majid Al Futtaim Properties. Fitch has also rated the Issuer's Programme at 'BBB'. S&P has given Majid Al Futtaim Holding a corporate credit rating of 'BBB/A-2', with stable outlook. S&P has not independently rated the Issuer or Majid Al Futtaim Properties.

The rating of certain Series of Certificates to be issued from time to time under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Certificates will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the applicable Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by a member of the Executive Committee of the Fatwa and Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC, the Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia, the Executive Shariah Committee of HSBC Saudi Arabia Limited and the Sharia Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own Sharia advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with Sharia principles.

Arrangers and Dealers

Abu Dhabi Islamic Bank	**Dubai Islamic Bank**
HSBC	**Standard Chartered Bank**

The date of this Base Prospectus is 31 May 2016.

This Base Prospectus complies with the requirements in Part 2 of the Markets Law (DIFC Law No. 1 of 2012) and Chapter 2 of the Markets Rules and comprises a base prospectus for the purposes of the Prospectus Directive and is for the purpose of giving information with regard to the Trustee, Majid Al Futtaim Properties, the Guarantor and the Certificates which, according to the particular nature of the Trustee, Majid Al Futtaim Properties, the Guarantor and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Trustee, Majid Al Futtaim Properties and the Guarantor.

Each of the Trustee, Majid Al Futtaim Properties and the Guarantor accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of the Trustee, Majid Al Futtaim Properties and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The DFSA does not accept any responsibility for the content of the information included in this Base Prospectus, including the accuracy or completeness of such information. The liability for the content of this Base Prospectus lies with the Trustee, Majid Al Futtaim Properties and the Guarantor and other persons, whose opinions are included in this Base Prospectus with their consent. The DFSA has also not assessed the suitability of any Certificates issued under this Programme to any particular investor or type of investor and has not determined whether they are Shari'a compliant. If you do not understand the contents of this Base Prospectus or are unsure whether any Certificates issued under this Base Prospectus are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

Certain information under the heading "*Description of the Group*" has been extracted from information provided by the Dubai Statistics Center, the Economist Intelligence Unit and the Dubai Department of Tourism and Commerce Marketing and the source of such information is specified where it appears under that heading. Each of the Trustee, Majid Al Futtaim Properties and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of Certificates, should be read and construed together with the applicable Final Terms.

The only persons authorised to use this Base Prospectus in connection with an offer of Certificates are the persons named in the relevant Subscription Agreement as the relevant Dealer or the Managers, as the case may be.

Copies of the applicable Final Terms will be available from the registered office of the Trustee and the specified office set out herein of the Principal Paying Agent (as defined below) save that, if the relevant Certificates are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Certificateholder holding one or more Certificates and such Certificateholder must produce evidence satisfactory to the Trustee or, as the case may be, the Principal Paying Agent as to its holding of such Certificates and identity.

No person is or has been authorised by the Trustee, Majid Al Futtaim Properties or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus in connection with the Programme or the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Trustee, Majid Al Futtaim Properties, the Guarantor, the Dealers (as defined under "*Subscription and Sale*"), the Delegate, the Agents (each as defined herein) or any other person. Neither the delivery of this document nor any sale of any Certificates shall, under any circumstances, constitute a representation or create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Delegate and the Dealers expressly do not undertake to review the financial condition or affairs of the Trustee, Majid Al Futtaim Properties or the Guarantor at any point, including during the life of the Programme, or to advise any investor in the Certificates of any information coming to their attention.

None of the Dealers, the Delegate or the Agents has 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 any of them as to the accuracy, adequacy, reasonableness or completeness of the information contained in this Base Prospectus or any other information provided by the Trustee, Majid Al Futtaim Properties or the Guarantor in connection with the Programme.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Certificates is: (i) intended to provide the basis of any credit or other evaluation save for making an investment decision on the Certificates; or (ii) should be considered as a recommendation by the Trustee, Majid Al Futtaim Properties, the Guarantor, the Dealers, the Delegate or the Agents that any recipient of this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Certificates should purchase any Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee, Majid Al Futtaim Properties and the Guarantor. None of the Dealers, the Trustee, the Delegate or the Agents accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Trustee, Majid Al Futtaim Properties and the Guarantor in connection with the Programme.

The Certificates of any Tranche 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 should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Certificates, the merits and risks of investing in the relevant Certificates and the information contained in this Base Prospectus;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Certificates and the impact the relevant Certificates will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Certificates, including where the currency of payment is different from the potential investor's currency;

(d) understand thoroughly the terms of the relevant Certificates and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

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

No comment is made or advice given by the Trustee, Majid Al Futtaim Properties, the Guarantor, the Dealers, the Delegate or the Agents in respect of taxation matters relating to any Certificates or the legality of the purchase of the Certificates by an investor under any applicable law.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Certificates are legal investments for it, (2) Certificates can be used as collateral for various types of borrowing 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.

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 ANY CERTIFICATES.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. None of the Trustee, Majid Al Futtaim Properties, the Guarantor, the Dealers, the Delegate or the Agents represents that this Base Prospectus may be lawfully distributed, or that any Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, Majid Al Futtaim Properties, the Guarantor, the Dealers, the Delegate or the Agents which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of the Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the United States, the European Economic Area (including the United Kingdom), the Cayman Islands, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, State of Qatar, Singapore, Hong Kong and Malaysia, see "*Subscription and Sale*".

This Base Prospectus has been prepared on the basis that any offer of Certificates in any Member State of the European Economic Area (each, a *Relevant Member State*) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Certificates. Accordingly any person making or intending to make an offer in that Relevant Member State of Certificates which are the subject of an offering contemplated in this Base Prospectus as completed by the applicable Final Terms in relation to the offer of those Certificates may only do so in circumstances in which no obligation arises for the Trustee, Majid Al Futtaim Properties, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Trustee, Majid Al Futtaim Properties, the Guarantor or any Dealer have authorised, nor do they authorise, the making of any offer of Certificates in circumstances in which an obligation arises for the Trustee, Majid Al Futtaim Properties, the Guarantor or any Dealer to publish or supplement a prospectus for such offer.

None of the Dealers, the Trustee, Majid Al Futtaim Properties, the Guarantor or the Delegate makes any representation to any investor in the Certificates regarding the legality of its investment under any applicable laws. Any investor in the Certificates should be able to bear the economic risk of an investment in the Certificates for an indefinite period of time.

PRESENTATION OF FINANCIAL INFORMATION

PRESENTATION OF GROUP FINANCIAL INFORMATION

The financial statements relating to the Group (as defined below) referred to in, and incorporated by reference into, this document are as follows:

- audited consolidated financial statements as at and for the financial year ended 31 December 2015 of Majid Al Futtaim Holding (the "**2015 Group Financial Statements**"); and

- audited consolidated financial statements as at and for the financial year ended 31 December 2014 of Majid Al Futtaim Holding (the "**2014 Group Financial Statements**" and, together with the 2015 Group Financial Statements, the "**Group Financial Statements**").

The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board (the "**IASB**"). The Group Financial Statements have been audited in accordance with International Standards on Auditing by KPMG Lower Gulf Limited ("**KPMG**") without qualification. The Group publishes its financial statements in UAE dirham.

In the 2014 Group Financial Statements, marketing revenue was netted off with marketing expenses and advances to contractors and accrued income on operating leases were reclassified from current assets to non-current assets. As a result, certain reclassifications have been made in the 2014 Group Financial Statements and, as a result, these statements are not comparable in all respects to the 2013 Group Financial Statements.

The table below summarises the effect of these reclassifications:

Consolidated income statement

	Year ended 31 December 2014	
	After reclassification	Before reclassification
	(AED thousands)	
Revenue	25,261,107	25,223,601
Cost of sales	(17,170,248)	(17,170,248)
Operating expenses	(5,503,088)	(5,465,582)
Finance costs	(596,607)	(596,607)
Finance income	182,605	182,605
Other expenses – net	(130,409)	(130,409)
Impairment reversals/(charge) – net	(200,884)	(200,884)
Share of (loss)/profit in joint ventures and associates – net	58,662	58,662
Valuation gain on land and buildings – net	767,167	767,167
Profit before tax	**2,668,305**	**2,668,305**
Tax charge – net	(100,881)	(100,881)
Profit for the year	**2,567,424**	**2,567,424**

	As at 31 December 2014	
	After reclassification	Before reclassification
	(AED thousands)	
Non-current assets		
Property, plant and equipment	23,525,929	23,525,929
Investment properties	14,280,456	14,280,456
	37,806,385	37,806,385
Investments	1,248,117	1,248,117
Long term receivable from related parties	79,779	79,779
Intangible assets	103,997	103,997
Deferred tax assets	32,317	32,317

	As at 31 December 2014	
	After reclassification	**Before reclassification**
	(AED thousands)	
Other non-current assets	478,367	478,367
	1,942,577	1,942,577
Total non-current assets	**39,748,962**	**39,748,962**
Current assets		
Development properties	797,771	797,771
Inventories	1,503,026	1,503,026
Trade and other receivables	1,383,844	1,383,844
Due from related parties	140,576	140,576
Cash in hand and at bank	1,049,887	1,049,887
	4,875,104	4,875,104
Current liabilities		
Trade payables, other liabilities and provisions	6,952,602	6,952,602
Short term loan from a related party	1,390	1,390
Due to related parties	37,332	37,332
Bank overdraft	34,980	34,980
Current maturity of long term loans	2,681,205	2,681,205
	9,707,509	9,707,509
Net current liabilities	**(4,832,405)**	**(4,832,405)**
Non-current liabilities		
Long term loans	6,333,458	6,333,458
Long term loan from a related party	6,855	6,855
Deferred tax liabilities	97,397	97,397
Other long term liabilities and provisions	555,542	555,542
Total non-current liabilities	**6,993,252**	**6,993,252**
Net assets	**27,923,305**	**27,923,305**
Equity		
Share capital	2,486,729	2,486,729
Statutory reserve	1,729,271	1,729,271
Revaluation reserve	16,762,720	16,762,720
Other reserves	4,809,712	4,809,712
Total equity attributable to the owners of the Company	**25,788,432**	**25,788,432**
Hybrid equity instrument	1,825,935	1,825,935
Non-controlling interests	308,938	308,938
Total equity	**27,923,305**	**27,923,305**

For more detail on these reclassifications, please see note 38 to the 2015 Group Financial Statements.

PRESENTATION OF MAJID AL FUTTAIM PROPERTIES FINANCIAL INFORMATION

The financial statements relating to Majid Al Futtaim Properties referred to in, and incorporated by reference into, this document are as follows:

- audited consolidated financial statements as at and for the financial year ended 31 December 2015 of Majid Al Futtaim Properties (the "**2015 Majid Al Futtaim Properties Financial Statements**"); and

- audited consolidated financial statements as at and for the financial year ended 31 December 2014 of Majid Al Futtaim Properties (the "**2014 Majid Al Futtaim Properties Financial Statements** and, together with the 2015 Majid Al Futtaim Properties Financial Statements, the **Majid Al Futtaim Properties Financial Statements**").

The Majid Al Futtaim Properties Financial Statements have been prepared in accordance with IFRS. The Majid Al Futtaim Properties Financial Statements have been audited in accordance with International Standards on Auditing by KPMG without qualification. Majid Al Futtaim Properties publishes its financial statements in UAE dirham.

In the 2014 Majid Al Futtaim Properties Financial Statements, advances to contractors and accrued income on operating leases were reclassified from current assets to non-current assets. As a result, certain reclassifications have been made in the 2014 Majid Al Futtaim Properties Financial Statements and, as a result, these statements are not comparable in all respects to the 2013 Majid Al Futtaim Properties Financial Statements.

The table below summarises the effect of these reclassifications:

Consolidated income statement

	Year Ended 31 December 2014	
	After reclassification	Before reclassification
	(AED thousands)	
Revenue	3,858,524	3,818,675
Operating expenses	(1,776,468)	(1,727,790)
Other expenses - net	(77,548)	(77,548)
Impairment reversals/(charge) – net	(135,332)	(135,332)
Share of (loss)/profit in joint ventures and associates – net	41,579	41,579
Finance income	15,400	15,400
Finance costs	(329,290)	(338,119)
Valuation gain on land and buildings – net	1,229,000	1,229,000
Profit before tax	2,825,865	2,825,865
Tax charge – net	(50,851)	(50,851)
Profit for the year	**2,775,014**	**2,775,014**

For more detail on these reclassifications, please see note 16(iii) to the 2015 Majid Al Futtaim Properties Financial Statements.

Majid Al Futtaim Properties' financial position and results of operations are included in this Base Prospectus in view of (i) the significance of Majid Al Futtaim Properties to the Group's business, financial position and results of operations (as at 31 December 2015); Majid Al Futtaim Properties accounted for 15.0 per cent. of the revenue, 67.9 per cent. of EBITDA and 86.5 per cent. of the assets of the Group respectively and as at 31 December 2014, Majid Al Futtaim Properties accounted for 15.3 per cent. of the revenue, 66.1 per cent. of EBITDA and 87.8 per cent. of the assets of the Group respectively and (ii) Majid Al Futtaim Properties' position in the transaction structure relating to the Certificates, as described in this Base Prospectus, including as buyer under the Master Murabaha Agreement, seller under the Master Purchase Agreement, lessee under the Master Lease Agreement and services agent under the Management Agreement. See "*Structure Diagram and Cashflows / Description of the Programme*", "*Terms and Conditions of the Certificates*" and "*Summary of the Principal Transaction Documents*".

PRESENTATION OF TRUSTEE FINANCIAL INFORMATION

The audited financial statements of the Trustee for the financial years ended 31 December 2014 and 31 December 2015 are referred to in, and incorporated by reference into, this document. These financial statements have been prepared in accordance with IFRS. These financial statements have been audited in accordance with International Standards on Auditing by KPMG without qualification. The Trustee publishes its financial statements in U.S. dollars. The Trustee has not published (and is not required to publish under the laws of the Cayman Islands) any interim financial statements.

EBITDA

In certain places within this document, reference is made to EBITDA. EBITDA is not an IFRS measure. As referred to in this document, the Group has calculated EBITDA for each period as profit for the year after adding back extraordinary items, interest, tax, depreciation and amortisation.

EBITDA should not be considered as an alternative measure to operating profit, as an indicator of operating performance, as an alternative to operating cash flows or as a measure of the Group's or any other company's liquidity. EBITDA as presented in this document may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

EBITDA has important limitations as an analytical tool and should not be considered in isolation from, or as a substitute for an analysis of, the Group's or any other company's operating results as reported under IFRS. Some of the limitations are:

- EBITDA does not reflect all cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on debt;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future and EBITDA does not reflect any cash requirements for such replacements; and
- other companies may calculate EBITDA differently, limiting its usefulness as a comparative measure.

PRESENTATION OF OTHER INFORMATION

In this Base Prospectus, references to:

- "**Carrefour**" are to Carrefour France SA and Carrefour Nederland BV and (when referring to the Group's stores) include reference to the Group's Carrefour stores in Pakistan which are branded as "Hyperstar";
- "**Group**" are to Majid Al Futtaim Holding and its consolidated subsidiaries, associates and joint ventures;
- "**Majid Al Futtaim Retail**" are to Majid Al Futtaim Retail LLC and, unless the context does not permit, include its subsidiaries;
- "**Majid Al Futtaim Properties**", are to Majid Al Futtaim Properties LLC unless the context does not permit, include its subsidiaries;
- "**Majid Al Futtaim Ventures**" are to Majid Al Futtaim Ventures LLC and, unless the context does not permit, include its subsidiaries;
- "**Abu Dhabi**", "**Dubai**", "**Sharjah**", "**Fujairah**" and "**Ajman**" are to the Emirates of Abu Dhabi, Dubai, Sharjah, Fujairah and Ajman, respectively;
- a "**Member State**" are, unless the context does not permit, references to a Member State of the European Economic Area;
- the "**MENA region**" are to the Middle East and North Africa region and include Pakistan in this document;
- "**U.S.$**" or "**U.S. dollars**" are to the lawful currency of the United States;
- "**EUR**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time; and
- "**AED**" or "**dirham**" are to the lawful currency of the UAE. One dirham equals 100 fils.

The dirham has been pegged to the U.S. dollar since 22 November 1980. The mid point between the official buying and selling rates for the dirham is at a fixed rate of AED3.6725 = U.S.$1.00. All U.S.$ translations of dirham amounts appearing in this document have been translated at this fixed exchange rate. Such translations should not be construed as representations that dirham amounts have been or could be converted into U.S. dollars at this or any other rate of exchange.

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

In this Base Prospectus, data in relation to footfall, hotel occupancy levels and population in territories in which the Group operates are sourced from the Group's internal data unless otherwise stated.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be "forward-looking statements". Forward-looking statements include statements concerning Majid Al Futtaim Properties' or, as the case may be, the Guarantor's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. When used in this Base Prospectus, 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*", "*Group Financial Review*", "*Majid Al Futtaim Properties Financial Review*" and "*Description of the Group*" and other sections of this Base Prospectus. Each of Majid Al Futtaim Properties and the Guarantor has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although Majid Al Futtaim Properties or, as the case may be, the Guarantor believes that the expectations, estimates and projections reflected in its forward- looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which Majid Al Futtaim Properties or Guarantor have otherwise identified in this Base Prospectus, or if any of Majid Al Futtaim Properties' or, as the case may be, the Guarantor's underlying assumptions prove to be incomplete or inaccurate, Majid Al Futtaim Properties' or, as the case may be, the Guarantor's actual results of operation may vary from those expected, estimated or predicted. Investors are therefore strongly advised to read the sections "*Risk Factors*", "*Group Financial Review*", "*Majid Al Futtaim Properties Financial Review*" and "*Description of the Group*", which include a more detailed description of the factors that might have an impact on the Group's business development and on the industry sector in which the Group operates.

The risks and uncertainties referred to above include:

- each of Majid Al Futtaim Properties' and the Guarantor's ability to successfully manage the growth of its business;
- the economic and political conditions in the markets in the UAE and the wider region in which Majid Al Futtaim Properties and the Guarantor operate;
- each of Majid Al Futtaim Properties' and the Guarantor's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- each of Majid Al Futtaim Properties' and the Guarantor's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and capital expenditures;
- changes in political, social, legal or economic conditions in the markets in which Majid Al Futtaim Properties and the Guarantor and their respective customers operate; and
- actions taken by each of Majid Al Futtaim Properties' and the Guarantor's respective joint venture partners or associates that may not be in accordance with its policies and objectives.

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

Any forward-looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations (including, without limitation, the Central Bank of Ireland's and the Irish Stock Exchange's rules and regulations regarding ongoing disclosure obligations), each of Majid Al Futtaim Properties and the Guarantor expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward- looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

NOTICE TO UK RESIDENTS

The Certificates to be issued under the Programme constitute "alternative finance investment bonds" within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 as amended by the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010. This Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any Final Terms and any other marketing materials relating to any Certificates is being addressed to, or directed at, 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 (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. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any Final Terms or any other marketing materials in relation to any Certificates.

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

Any individual intending to invest in any investment described in this Base Prospectus 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 ascertain any loss that may arise from such investment.

CAYMAN ISLANDS NOTICE

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

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

A copy of this Base Prospectus has been submitted to the Central Bank of Bahrain (the "**CBB**") by a bank licensed by the CBB. Submission of this Base Prospectus to the CBB does not imply that any Bahraini legal or regulatory requirements have been complied with. The CBB has not in any way considered the merits of the Certificates to be offered for investment whether in or outside of the Kingdom of Bahrain.

Neither the CBB nor the licensed exchange assumes responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and each expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this Base Prospectus.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the 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 Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this Base Prospectus he or she should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

This Base Prospectus does not and is not intended to constitute an offer, sale or delivery of notes or other debt financing instruments under the laws of the State of Qatar and has not been and will not be reviewed or approved by or registered with the Qatar Financial Markets Authority, the Qatar Central Bank (the "**QCB**"), the Qatar Exchange or the Qatar Financial Centre Regulatory Authority. The Certificates are not and will not be traded on the Qatar Stock Exchange.

NOTICE TO RESIDENTS OF MALAYSIA

The Certificates may not be issued, offered or sold and no invitation to subscribe for or purchase the Certificates in Malaysia may be made, directly or indirectly, and any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Schedule 6 or Section 229(1)(b) and Schedule 8 or Section 257(3) and Schedule 7 or Section 230(1)(b), read together with Schedule 9 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia ("**CMSA**").

The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee, Majid Al Futtaim Properties or Majid Al Futtaim Holding and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

STABILISATION

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF CERTIFICATES, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISING MANAGER(S) (OR ANY PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE SUBSCRIPTION AGREEMENT MAY OVER-ALLOT CERTIFICATES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCE THAT THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE ISSUE DATE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE CERTIFICATES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE CERTIFICATES. ANY STABILISATION ACTION SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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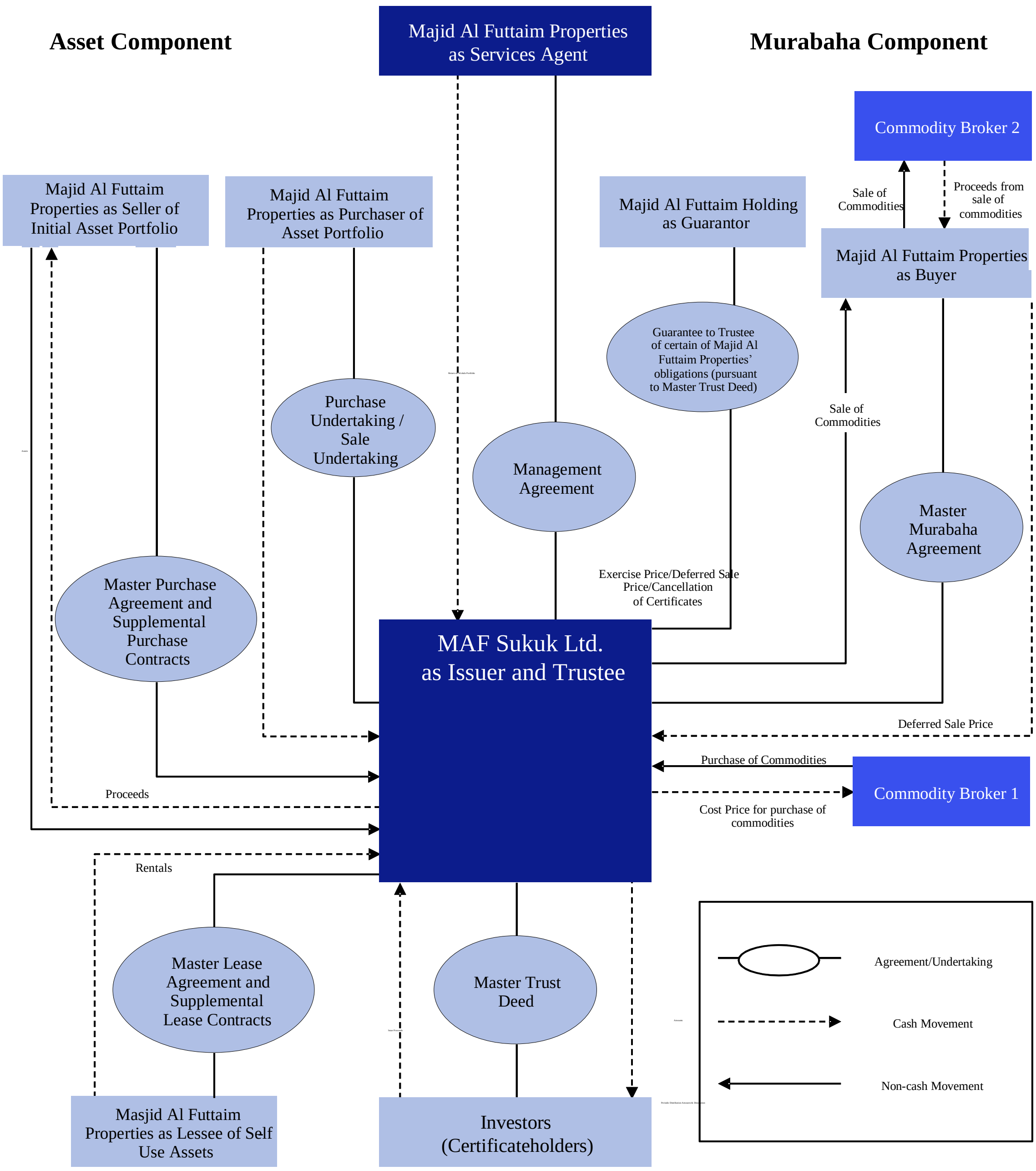
STRUCTURE DIAGRAM AND CASHFLOWS / DESCRIPTION OF THE PROGRAMME

STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Tranche issued. Potential investors are referred to the terms and conditions of the Certificates and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Base Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

Structure Diagram



Principal cash flows

Payments by the Certificateholders and the Trustee

On the Issue Date of each Tranche of Certificates, the Trustee will use the proceeds for the relevant Tranche (the "**Issue Proceeds**") in the manner described below.

In relation to the first Tranche of Certificates to be issued under a Series, the Trustee will use the Issue Proceeds of that Tranche as follows:

(A) the amount specified in the applicable Final Terms as the Purchase Price for the Initial Asset Portfolio being an amount equal to the relevant Issue Proceeds less the associated Commodity Purchase Price (if any), to pay Majid Al Futtaim Properties (in its capacity as seller) for the purchase of a portfolio (the "**Initial Asset Portfolio**", and as may be substituted or added to from time to time, the "**Asset Portfolio**", and each asset comprising such portfolio a "**Portfolio Asset**") of (i) income generating real estate related assets (the "**Real Estate Assets**") which are either externally leased to third parties immediately prior to the relevant Issue Date (each, an "**Externally Leased Asset**" and the lease relating thereto, an "**External Lease**") or which will become Leased Assets (as defined below) on the relevant Issue Date; and (ii) other income generating Sharia compliant tangible assets ("**Other Sharia Compliant Tangible Assets**") which are either Externally Leased Assets immediately prior to the relevant Issue Date or which will become Leased Assets on the relevant Issue Date (each such Real Estate Asset and Other Sharia Compliant Tangible Asset, a "**Tangible Asset**"), provided that the Value (as defined in Condition 4.1) of the Initial Asset Portfolio as at the relevant Issue Date is no less than 34 per cent. of the face amount of the relevant Certificates:

(a) real estate related asset which, immediately prior to the relevant Issue Date, is either a plot of land to be developed in accordance with a development plan or is used by Majid Al Futtaim Properties for its own account (and therefore does not generate any income); and

(b) Other Sharia Compliant Tangible Asset which, immediately prior to the relevant Issue Date, is used by Majid Al Futtaim Properties for its own account (and therefore does not generate any income),

(each such asset, a "**Self-Use Asset**"), shall be leased (each a "**Leased Asset**") by the Trustee (in such capacity, the "**Lessor**") to Majid Al Futtaim Properties (in such capacity, the "**Lessee**") pursuant to a master lease agreement (the "**Master Lease Agreement**"), as supplemented by a supplemental lease contract relating to that Series of Certificates (each a "**Supplemental Lease Contract**" and, together with the Master Lease Agreement, the "**Lease Agreement**"); and

(B) the amount specified in the applicable Final Terms as the Commodity Purchase Price (if any), being an amount that is (i) no more than 66 per cent. of the face amount of the relevant Certificates; and (ii) equal to the face amount of the relevant Certificates less the Value of the Initial Asset Portfolio as at the relevant Issue Date, to purchase commodities to be sold to Majid Al Futtaim Properties (in its capacity as buyer, the "**Buyer**") on a deferred payment basis for an amount specified in a letter of offer (the "**Deferred Sale Price**") pursuant to the terms of a master murabaha agreement (the "**Master Murabaha Agreement**") (the "**Commodity Murabaha Investment**").

In relation to each other Tranche of Certificates to be issued under a Series, the Trustee will use the Issue Proceeds of any such Tranche as follows:

(A) the amounts specified in the applicable Final Terms as the Additional Exercise Price, for the Additional Portfolio Assets being an amount equal to the relevant Issue Proceeds less the associated Commodity Purchase Price (if any), to pay Majid Al Futtaim Properties (in its capacity as seller) for the purchase of certain additional Tangible Assets that meet the eligibility criteria set out in the Master Purchase Agreement (the "**Additional Portfolio Assets**") pursuant to the terms of the Sale Undertaking, provided that the Value of the Additional Portfolio Assets as at the relevant Issue Date is no less than 34 per cent. of the face amount of the relevant Certificates; and

(B) the amount specified in the applicable Final Terms as the Commodity Purchase Price (if any), being an amount that is (i) no more than 66 per cent. of the face amount of the relevant Certificates; and (ii) equal to the face amount of the relevant Certificates less the Value of the Additional Portfolio Assets as at the relevant Issue Date, to enter into a Commodity Murabaha Investment with the Buyer on a deferred payment basis for the Deferred Sale Price specified in a letter of offer pursuant to the terms of the Master Murabaha Agreement.

The assets comprised in the relevant Asset Portfolio, each Commodity Murabaha Investment relating to a Series and all other rights arising under or with respect to such Asset Portfolio and Commodity Murabaha Investments (including the right to receive payment of the Deferred Sale Prices and any other amounts or distributions due in connection with the relevant Portfolio Assets) shall be commingled from time to time and shall comprise a "**Wakala Portfolio**" in respect of the relevant Series of Certificates. For the avoidance of doubt, a Wakala Portfolio for a relevant Series of Certificates may comprise solely Portfolio Assets, without any Issue Proceeds being applied towards a Commodity Murabaha Investment.

Periodic Distribution Payments

Prior to each Periodic Distribution Date, the Services Agent will pay to the Trustee (by way of a payment into the relevant Transaction Account) an amount reflecting returns generated (including all rental payable under a Lease Agreement) by the relevant Asset Portfolio (the "**Asset Portfolio Income Revenues**") during the relevant Return Accumulation Period (being a "**Wakala Distribution Period**"), which is intended to be sufficient to fund the Periodic Distribution Amounts payable by the Trustee under the relevant Series and shall be applied by the Trustee for that purpose.

In the event that the Asset Portfolio Income Revenues to be paid by the Services Agent into the relevant Transaction Account on any Wakala Distribution Determination Date are greater than the Required Amount (as defined below) for the relevant Series on the immediately following Periodic Distribution Date, the amount of any excess shall be retained by the Services Agent as a reserve and credited to a separate bookentry ledger account (in respect of each Series, a "**Asset Income Reserve Collection Account**") maintained by the Services Agent and the amount to be transferred to the relevant Transaction Account in respect of such Asset Portfolio Income Revenues shall be reduced accordingly.

If there is a shortfall on any Wakala Distribution Determination Date (after transfer of the Asset Portfolio Income Revenues into the relevant Transaction Account as described above) between (i) the amounts standing to the credit of the Transaction Account and (ii) the amount (the "**Required Amount**") payable in respect of the relevant Certificates on the immediately following Periodic Distribution Date (a "**Shortfall**"), the Services Agent shall first apply the amounts standing to the credit of the relevant Asset Income Reserve Collection Account (if any) towards such Shortfall by transferring into the relevant Transaction Account from such Asset Income Reserve Collection Account on that Wakala Distribution Determination Date an amount equal to the Shortfall (or such lesser amount as is then standing to the credit of such Asset Income Reserve Collection Account). If, having applied such amounts standing to the credit of the relevant Wakala Reserve Collection Account (if any), any part of the Shortfall still remains, the Services Agent may either:

(a) provide Sharia compliant funding to the Trustee itself; or

(b) procure Sharia compliant funding from a third party to be paid to the Trustee,

in each case in the amount required to ensure that there is no Shortfall on terms that such funding is repayable from Asset Portfolio Income Revenues in the future or on the date on which the Certificates of the relevant Series are redeemed in full (each a "**Liquidity Facility**").

Dissolution Payments

On each Scheduled Dissolution Date of each Series:

(A) all remaining amounts of the Deferred Sale Prices of that Series (if any) shall become immediately due and payable; and

(B) the Trustee will have the right under the Purchase Undertaking (as defined below) to require Majid Al Futtaim Properties to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the relevant Asset Portfolio at the relevant exercise price, which shall be an amount equal to the aggregate of (A) the aggregate outstanding face amount of the Certificates on the Scheduled Dissolution Date; (B) all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates of the relevant Series; (C) the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility and (ii) any Management Liabilities Amounts (as defined in the Management Agreement); and (D) any other amounts payable in relation to the redemption of the Certificates as specified in any applicable final Terms relating to that Series, less the aggregate of each outstanding Deferred Sale Price relating to that

Series, **provided that** a Commodity Murabaha Investment forms part of the Wakala Portfolio of the relevant Series and the outstanding Deferred Sale Prices have been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement and the relevant Murabaha Contracts and are available for the redemption of the relevant Certificates (the "**Exercise Price**").

The outstanding Deferred Sale Prices, together with the Exercise Price payable by Majid Al Futtaim Properties, or any Asset Portfolio Revenues (as defined in the Management Agreement) then held by the Services Agent and payable to the Trustee under Clause 6.5 the Management Agreement, in each case, of a Series are intended to fund the Final Dissolution Amount payable by the Trustee under the relevant Series.

The Trust in relation to any Series may be dissolved prior to the relevant Scheduled Dissolution Date for the following reasons: (i) redemption following a Dissolution Event, (ii) an early redemption for tax reasons, (iii) if so specified in the applicable Final Terms, at the option of the Trustee (which option also includes the Trustee's option to redeem in whole but not in part any outstanding Certificates of the relevant Series if, following the occurrence of a Change of Control Event (as defined in the Conditions), holders of 75 per cent. or more of the aggregate outstanding face amount of those Certificates exercise their Change of Control Put Option), (iv) if so specified in the applicable Final Terms, at the option of the Certificateholders on any Certificateholder Put Option Date (as defined in the Conditions), (v) if so specified in the applicable Final Terms, at the option of the Certificateholders following a Change of Control Event and (vi) upon the occurrence of a Total Loss Event.

In the case of sub-paragraphs (i) to (iii) inclusive, the amounts payable by the Trustee on the due date for dissolution will be funded in a similar manner as for the payment of the Final Dissolution Amount. Upon the exercise by Certificateholders of the options described in sub-paragraphs (iv) and (v), the Trustee will redeem the relevant Certificates on the Certificateholder Put Option Date or Change of Control Put Option Date, as the case may be, at the Optional Dissolution Amount (Certificateholder Put) or Change of Control Dissolution Amount. Any such redemption shall be funded through (A) the payment by Majid Al Futtaim Properties of the relevant *pro rata* proportion of the aggregate of each Deferred Sale Price (which proportion will be determined by reference to the Change of Control Percentage or Certificateholder Put Option Percentage (each such term as defined below) as the case may be) and (B) the exercise by the Trustee of its right under the Purchase Undertaking to require Majid Al Futtaim Properties to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under a *pro rata* proportion of the relevant Asset Portfolio for an exercise price equal to (a) the aggregate face amount of the Certificateholder Put Option Certificates or Change of Control Certificates (as the case may be), (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificateholder Put Option Certificates or Change of Control Certificates (as the case may be); (c) any other amounts payable in relation to the Certificates being redeemed on the exercise of the Certificateholder Put Option or Change of Control Put Option as specified in any applicable Final Terms relating to that Series; and (d) only to the extent that the Certificateholder Put Option Percentage or Change of Control Percentage (as the case may be) is equal to 100 per cent. of the aggregate face amount of all of the Certificates then outstanding, the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility and (ii) any Management Liabilities Amounts (less the relevant proportion of the aggregate of any Deferred Sale Price relating to that Series, being an amount equal to (i) the aggregate of each outstanding Deferred Sale Price relating to that Series multiplied by (ii) the Certificateholder Put Option Percentage or Change of Control Percentage (as the case may be), **provided that** a Commodity Murabaha Investment forms part of the Wakala Portfolio of the relevant Series and such relevant proportion of any such Deferred Sale Prices have been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement and the relevant Murabaha Contracts and are available for the redemption of the relevant Certificates). In the case of sub-paragraph (vi), the amounts payable to Certificateholders will be an amount equal to the sum of (A) the proceeds of any insurance policies which the Services Agent has entered into in respect of the relevant "**Tangible Assets**" (being a Real Estate Asset or a Other Sharia Compliant Tangible Asset in respect of which the same representations and warranties can be given by Majid Al Futtaim Properties as those given under the Master Purchase Agreement) and/or any Total Loss Shortfall Amount; (B) all of the Asset Portfolio Revenues credited to the Collection Accounts of the relevant Series (each as defined in the Management Agreement) which the Services Agent is required to transfer to the Transaction Account immediately upon the occurrence of a Total Loss Event and (C) all outstanding amounts of the Deferred Sale Prices, such amounts being intended to be sufficient in order to redeem the relevant Certificates in full.

"**Certificateholder Put Option Certificates**" means the aggregate face amount of Certificates specified as such in an Exercise Notice served pursuant to the terms of the Purchase Undertaking;

"**Certificateholder Put Option Percentage**" means the aggregate face amount of the Certificates of the relevant Series in respect of which Certificateholders have exercised their redemption option in respect of the relevant Certificateholder Put Option (as defined in the Conditions) divided by the aggregate face amount of all of the Certificates then outstanding expressed as a percentage, as determined on the day immediately prior to the redemption of such Certificates;

"**Change of Control Certificates**" means the aggregate face amount of Certificates specified as such in an Exercise Notice served pursuant to the terms of the Purchase Undertaking; and

"**Change of Control Percentage**" means the aggregate face amount of the Certificates of the relevant Series in respect of which Certificateholders have exercised their redemption option on the occurrence of the relevant Change of Control Event divided by the aggregate face amount of all of the Certificates then outstanding expressed as a percentage, as determined on the day immediately prior to the redemption of such Certificates.

Guarantee

The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed in favour of the Trustee (the "**Guarantee**") the due and punctual payment of the Guaranteed Amounts. The proceeds received by or on behalf of the Trustee following a valid claim under the Guarantee shall be paid into the relevant Transaction Account for distribution to the Certificateholders of the relevant Series. For this purpose, the "**Guaranteed Amounts**" means the amounts guaranteed by the Guarantor, in respect of each Series, being, (i) the Asset Portfolio Income Revenues to be paid into the relevant Transaction Account by the Services Agent in accordance with the terms of the Management Agreement; (ii) any Total Loss Shortfall Amount; (iii) any Asset Portfolio Principal Revenues (as defined in the Management Agreement) payable by the Services Agent to the Trustee under Clause 6.5 of the Management Agreement; (iv) any Exercise Price payable under the Purchase Undertaking and the Sale Undertaking; (v) any outstanding amounts of each Deferred Sale Price payable pursuant to the Master Murabaha Agreement and relevant Murabaha Contracts (as defined in the Master Murabaha Agreement); and (vi) any amount payable by Majid Al Futtaim Properties under Clause 2.2(c) and Clause 4 of the Purchase Undertaking.

DESCRIPTION OF THE PROGRAMME

This description must be read as an introduction to this Base Prospectus. Any decision to invest in any Certificates should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference, by any investor. The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Certificates, is completed by the applicable Final Terms.

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

Issuer and Trustee:	MAF Sukuk Ltd., a limited liability exempted company incorporated in accordance with the laws of, and formed and registered in, the Cayman Islands with registered number 263902 and its registered office at MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.
Seller and Services Agent:	Majid Al Futtaim Properties LLC.
Guarantor:	Majid Al Futtaim Holding LLC.
Risk Factors:	There are certain factors that may affect the Trustee's ability to fulfil its obligations under Certificates issued under the Programme, and Majid Al Futtaim Properties' and the Guarantor's obligations under the Transaction Documents to which they are a party. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme. See "*Risk Factors*".
Ownership of the Trustee:	The authorised share capital of the Trustee is U.S.$50,000 consisting of 50,000 shares of U.S.$1 each, of which 250 shares are fully paid up and issued. The Trustee's entire issued share capital is held by MaplesFS Limited on trust for charitable purposes.
Administration of the Trustee:	The affairs of the Trustee are managed by MaplesFS Limited (the "**Trustee Administrator**"), who provides, amongst other things, certain administrative services for and on behalf of the Trustee pursuant to an Amended and Restated Corporate Services Agreement dated 4 July 2013 between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"). The Trustee Administrator's registered office is P.O. Box 1093, Queensgate House, Grand Cayman KY1 - 1102, Cayman Islands.
Arrangers and Dealers:	Abu Dhabi Islamic Bank PJSC Dubai Islamic Bank PJSC HSBC Bank plc Standard Chartered Bank and any other Dealer appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Certificates.
Delegate:	Citibank, N.A., London Branch Pursuant to the Master Trust Deed, the Trustee shall delegate to the Delegate certain present and future duties, powers, trusts, authorities and discretions vested in the Trustee by certain provisions of the Master Trust Deed. In particular, the Delegate shall be entitled to (and, in certain circumstances, shall, subject to being indemnified and/or secured and/or

	pre-funded to its satisfaction, be obliged to) take enforcement action in the name of the Trustee against the Seller and/or the Services Agent and/or Majid Al Futtaim Properties and/or the Guarantor following a Dissolution Event.
Principal Paying Agent:	Citibank, N.A.
Registrar and Transfer Agent:	Citigroup Global Markets Deutschland AG
Murabaha Agent (for MAF Sukuk Ltd.)	Citi Islamic Investment Bank E.C.
Certain Restrictions:	Each Series denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*"). The proceeds of each Series will not be accepted in the United Kingdom except in compliance with applicable law, including article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
Programme Size:	Up to U.S.$1,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Trustee, Majid Al Futtaim Properties and the Guarantor may increase the size of the Programme in accordance with the terms of the Programme Agreement.
Issuance in Series:	The Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Certificates will all be subject to identical terms, except that the Issue Date and the amount payable on the first Periodic Distribution Date may be different in respect of different Tranches. The specific terms of each Tranche will be set out in the applicable Final Terms.
Distribution:	Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Trustee, Majid Al Futtaim Properties, the Guarantor and the relevant Dealer.
Maturities:	The Certificates will have such maturities as may be agreed between the Trustee, Majid Al Futtaim Properties, the Guarantor and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee or the relevant Specified Currency.
Issue Price:	Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, Majid Al Futtaim Properties, the Guarantor and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
Form of Certificates:	The Certificates will be issued in registered form as described in "*Form of the Certificates*". The Certificates of each Tranche will be represented on issue by ownership interests in a Global Certificate which will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Ownership interests in each Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by each relevant clearing system and its participants. See "*Form of the*

	Certificates". Definitive Certificates evidencing holdings of Certificates will be issued in exchange for interests in a Global Certificate only in limited circumstances.
Clearance and Settlement:	Holders of the Certificates must hold their interest in the relevant Global Certificate in book-entry form through Euroclear or Clearstream, Luxembourg. Transfers within and between Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearance systems.
Face Amount of Certificates:	The Certificates will be issued in such face amounts as may be agreed between the Trustee, Majid Al Futtaim Properties, the Guarantor and the relevant Dealer save that the minimum face amount of each Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "—*Certain Restrictions*" above, and save that the minimum face amount of each Certificate admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Certificates are issued in a currency other than euro, the equivalent amount in such currency).
Status of the Certificates:	Each Certificate will evidence an undivided ownership interest of the Certificateholders in the Trust Assets of the relevant Series, will be a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee and will rank *pari passu*, without any preference or priority, with all other Certificates of the relevant Series issued under the Programme. The Trust Assets of the relevant Series will be all of the Trustee's rights, title, interest and benefit, present and future, in, to and under (i) the relevant Wakala Portfolio (including all rights arising under or with respect to the relevant Asset Portfolio and Commodity Murabaha Investment), (ii) the Transaction Documents (other than (A) in relation to any representations given to the Trustee by Majid Al Futtaim Properties or the Guarantor pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (B) the covenant given to the Trustee pursuant to Clause 14.1 of the Master Trust Deed), (iii) all monies standing to the credit of the relevant Transaction Account from time to time, and all proceeds of the foregoing listed (i) to (iii) (the **Trust Assets**), and such Trust Assets will be held upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder for the relevant Series.
Status of the Guarantee:	The Guarantor's obligations under the Guarantee will be direct, unconditional and (subject to the provisions of Clause 4.14(a) of the Master Trust Deed) unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.
Periodic Distributions:	Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the Conditions and the applicable Final Terms.
Redemption of Certificates:	Unless the Certificates are previously redeemed or purchased and cancelled, the Certificates shall be redeemed by the Trustee at the relevant Dissolution Amount and on the relevant Scheduled Dissolution

	Date specified in the applicable Final Terms and the Trust in relation to the relevant Series will be dissolved by the Trustee.
Dissolution Events:	Upon the occurrence of any Dissolution Event, the Certificates may be redeemed in full on the Dissolution Date at the relevant Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amount and the relevant Return Accumulation Period may be adjusted accordingly. See Condition 14.
Early Dissolution for Tax Reasons:	Where the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates pursuant to Condition 11 or the Services Agent has or will become obliged to pay any additional amounts in respect of amounts payable under the Management Agreement as a result of a change in the laws of a Relevant Jurisdiction and such obligation cannot be avoided by the Trustee or the Services Agent, as applicable, taking reasonable measures available to it, the Trustee may, following receipt of an exercise notice from Majid Al Futtaim Properties pursuant to the Sale Undertaking, redeem the Certificates in whole but not in part at an amount equal to the relevant Early Dissolution Amount (Tax) together with any accrued but unpaid Periodic Distribution Amounts on the relevant Dissolution Date and, if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable, the Dissolution Date must be a Periodic Distribution Date.
Optional Dissolution Right:	If so specified in the applicable Final Terms, the Trustee may, following receipt of an exercise notice from Majid Al Futtaim Properties pursuant to the Sale Undertaking, redeem in whole but not in part the Certificates of the relevant Series at the relevant Optional Dissolution Amount (Call) on the relevant Optional Dissolution Date and, if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable, the Optional Dissolution Date must be a Periodic Distribution Date. If applicable to the relevant Series, the Optional Dissolution Date(s) will be specified in the applicable Final Terms.
Certificateholder Put Option:	If so specified in the applicable Final Terms, Certificateholders may elect to redeem their Certificates on any Certificateholder Put Option Date(s) specified in the applicable Final Terms at an amount equal to the relevant Optional Dissolution Amount (Certificateholder Put) together with any accrued but unpaid Periodic Distribution Amounts in accordance with Condition 10.4(a). Following the payment by Majid Al Futtaim Properties of the relevant exercise price under the Purchase Undertaking, and the payment by Majid Al Futtaim Properties of the relevant Deferred Sale Price under the Master Murabaha Agreement and the relevant Murabaha Contract, the Trustee will redeem the relevant Certificates on the relevant Certificateholder Put Option Date.
Change of Control Put Option:	If so specified in the applicable Final Terms, each investor will have the right to require the redemption of its Certificates upon Majid Al Futtaim Capital LLC ceasing to be the ultimate owner (either directly or indirectly) of more than 50 per cent. of the share capital of the Guarantor. Any such redemption will take place on the Change of Control Put Option Date at an amount equal to the relevant Change of Control Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts in accordance with Condition 10.4(b). Following payment by Majid Al Futtaim Properties of the relevant exercise price under the Purchase Undertaking, and the payment by Majid Al Futtaim Properties of the relevant Deferred Sale Price under the Master Murabaha Agreement and the relevant Murabaha Contract,

	the Trustee will redeem the relevant Certificates on the relevant Certificateholder Put Option Date.
Cancellation of Certificates held by the Guarantor, Majid Al Futtaim Properties and/or any of their respective Subsidiaries:	Pursuant to Condition 13, the Guarantor, Majid Al Futtaim Properties and/or any of their respective Subsidiaries may at any time purchase Certificates in the open market or otherwise. If Majid Al Futtaim Properties wishes to cancel such Certificates purchased by it and/or the Guarantor and/or any of their respective Subsidiaries, Majid Al Futtaim Properties will deliver those Certificates to the Principal Paying Agent for cancellation. Majid Al Futtaim Properties may also (i) request that the relevant *pro rata* proportion of the outstanding Deferred Sale Prices which are payable by Majid Al Futtaim Properties in connection with the dissolution and cancellation of such Certificates be cancelled in accordance with the terms of the Master Murabaha Agreement and (ii) exercise its option under the Sale Undertaking to require the Trustee to transfer to Majid Al Futtaim Properties all of its rights, title, interests, benefits and entitlements in, to and under such *pro rata* proportion Portfolio Assets (the "**Cancellation Portfolio Assets**") the Value of which is not greater than (a) the Asset Portfolio Value (as defined in the Conditions) immediately prior to the transfer of the Cancellation Portfolio Assets, multiplied by (b) the Cancellation Percentage (as defined in the Conditions) and, upon such cancellation, the Trustee will transfer those Cancellation Portfolio Assets to Majid Al Futtaim Properties.
Tangible Asset Substitution:	The Services Agent may substitute Tangible Assets in accordance with the relevant provisions of the Management Agreement, the Sale Undertaking and, where relevant, the relevant Lease Agreement, **provided that** the value of any substitute assets shall have an aggregate value which is not less than the aggregate value of the Tangible Assets to be so substituted.
Withholding Tax:	All payments by Majid Al Futtaim Properties under the Master Murabaha Agreement, Purchase Undertaking and Sale Undertaking and all payments by the Services Agent under the Management Agreement shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, Majid Al Futtaim Properties and/or the Services Agent, as the case may be, will be required to pay additional amounts so that the Trustee will receive the full amounts that it would have received in the absence of such withholding or deduction. All payments in respect of Certificates by the Trustee shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, the Trustee will, save in the limited circumstances provided in Condition 11, be required to pay additional amounts so that the holders of the Certificates will receive the full amounts that they would have received in the absence of such withholding or deduction.
Negative Pledge and other Covenants:	The Master Trust Deed contains a negative pledge and certain other covenants given by each of Majid Al Futtaim Properties and the Guarantor. See "*Summary of the Principal Transaction Documents*".
Cross Default:	The Master Trust Deed contains a cross default provision in relation to each of Majid Al Futtaim Properties and the Guarantor. See "*Summary*

	of the Principal Transaction Documents".
Trustee Covenants:	The Trustee has agreed to certain restrictive covenants as set out in Condition 5.
Ratings:	The ratings assigned to certain Series to be issued under the Programme will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Whether or not each credit rating applied for in relation to the relevant Series of Certificates will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the applicable Final Terms.
Certificateholder Meetings:	A summary of the provisions for convening meetings of Certificateholders of each Series to consider matters relating to their interests as such is set out in Condition 18.
Tax Considerations:	See "*Taxation*" for a description of certain tax considerations applicable to the Certificates.
Listing and Administration to Trading:	This Base Prospectus, as approved and published by the Central Bank, in accordance with the requirements of the Prospectus Directive, comprises a Base Prospectus for the purposes of the Prospectus Directive and the Prospectus (Directive 2003/71/EC) Regulations 2005, and for the purpose of giving information with regard to the issue of Certificates issued under this Programme, during the period of twelve months after the date hereof. Application has been made to the Irish Stock Exchange for such Certificates to be admitted to the Irish Official List and to be admitted to trading on the Main Securities Market. Application has been made to the DFSA for Certificates to be issued under the Programme during the period of 12 months from the date hereof to be admitted to the Dubai Official List for such Certificates to be admitted to trading on NASDAQ Dubai. Certificates may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Trustee, Majid Al Futtaim Properties, the Guarantor and the relevant Dealer in relation to the Series. Certificates which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Transaction Documents:	The Transaction Documents are the Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Master Murabaha Agreement, each Murabaha Contract, the Murabaha Agency Agreement, the Master Purchase Agreement, each Supplemental Purchase Contract, the Master Lease Agreement (if a Supplemental Lease Contract is executed in connection with the relevant Series), each Supplemental Lease Contract (if relevant), the Management Agreement, the Purchase Undertaking, the Sale Undertaking and each Additional Sale Agreement.
Governing Law and Dispute Resolution:	The Certificates of each Series and any non-contractual obligations arising out of or in connection with the Certificates of each Series will be governed by, and construed in accordance with, English law. The Master Trust Deed, each Supplemental Trust Deed, the Programme Agreement, the Agency Agreement, the Master Murabaha Agreement,

each Murabaha Contract, the Murabaha Agency Agreement, the Management Agreement, the Purchase Undertaking, the Sale Undertaking and any non-contractual obligations arising out of or in connection with the same will be governed by English law. In respect of any dispute under any such agreement or deed (other than the Purchase Undertaking) to which it is a party, Majid Al Futtaim Properties and the Guarantor have each consented to arbitration in London under the LCIA Arbitration Rules. Any dispute may also be referred to the courts in England (who shall have exclusive jurisdiction to settle any dispute arising from such documents). Majid Al Futtaim Properties has agreed to submit to the jurisdiction of the DIFC Courts in respect of any dispute under the Purchase Undertaking (subject to the right of the Trustee and the Delegate to require any dispute to be resolved by any other court of competent jurisdiction).

Each of the Master Purchase Agreement, each Supplemental Purchase Contract, the Master Lease Agreement, each Supplemental Lease Contract, each Sale Agreement entered into under the Purchase Undertaking and each Sale Agreement or Transfer Agreement or Additional Sale Agreement entered into under the Sale Undertaking will be governed by the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE, and will be subject to the non-exclusive jurisdiction of the Dubai courts.

The Corporate Services Agreement will be governed by the laws of the Cayman Islands and will be subject to the non-exclusive jurisdiction of the courts of the Cayman Islands.

Waiver of Immunity: To the extent that Majid Al Futtaim Properties and/or the Guarantor may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, Majid Al Futtaim Properties and the Guarantor will each agree in the Transaction Documents to which they are a party not to claim and will irrevocably and unconditionally waive such immunity in relation to any legal proceedings. Further, Majid Al Futtaim Properties and the Guarantor will each irrevocably and unconditionally consent to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any legal proceedings.

Limited Recourse: Each Certificate represents solely an undivided ownership interest in the relevant Trust Assets. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available for the relevant Trust Assets.

Certificateholders will otherwise have no recourse to any assets of the Trustee, Majid Al Futtaim Properties or the Guarantor in respect of any shortfall in the expected amounts due under the relevant Trust Assets to the extent the Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished.

Selling Restrictions: There are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the United States, the European Economic Area (including the United Kingdom), the Cayman Islands, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar, Singapore, Hong Kong and Malaysia.

United States Selling Restrictions:	Regulation S, Category 2. Rule 144A and Section 4(a)(2) and TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

Each of the Trustee, Majid Al Futtaim Properties and the Guarantor 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, Majid Al Futtaim Properties or the Guarantor 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, Majid Al Futtaim Properties or the Guarantor or which the Trustee, Majid Al Futtaim Properties or the Guarantor currently deems immaterial, that may impact any investment in Certificates.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Words and expressions defined in "Structure Diagram and Cashflows / Description of the Programme", "Form of the Certificates" and "Terms and Conditions of the Certificates" shall have the same meanings in this section.

FACTORS THAT MAY AFFECT THE TRUSTEE'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER CERTIFICATES ISSUED UNDER THE PROGRAMME

The Trustee is a special purpose vehicle and, with the exception of the issuance of its U.S.$400 million 5.85 per cent. trust certificates under the Programme in February 2012, has no operating history. The Trustee will not engage in any business activity other than the issuance of Certificates under the Programme, the acquisition of the Trust Assets as described herein, acting in the capacity as Trustee and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series, including its right to receive payments under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates of each Series will primarily be dependent upon receipt by the Trustee of all amounts due from Majid Al Futtaim Properties under the relevant Transaction Documents (failing which, from the Guarantor in accordance with the terms of the Guarantee). Therefore the Trustee is subject to all the risks to which each of Majid Al Futtaim Properties and the Guarantor is subject to the extent that such risks could limit Majid Al Futtaim Properties' or the Guarantor's ability to satisfy in full and on a timely basis their respective obligations under the Transaction Documents to which they are a party. See "*Risks relating to the Group*", "*Risks relating to Majid Al Futtaim Properties*", "*Risks relating to Majid Al Futtaim Retail*" and "*Risks relating to Majid Al Futtaim Ventures*" below for a further description of these risks.

RISKS RELATING TO THE GROUP

The risks set out below apply to all of the Group's businesses. In addition, certain specific risks apply to the particular businesses carried on by Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures and these are discussed separately below.

All of the Group's businesses are affected by the economic and political conditions in the markets in which they operate

All of the Group's businesses are, and will continue to be, affected by economic and political developments in or affecting the UAE and the MENA region. The Group currently has a significant proportion of its operations and interests in the UAE, with a particular focus on Dubai. While the UAE is currently seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is no guarantee that the UAE will continue to be so in the future. In particular, since early 2011 there has been political unrest in a range of countries in which the Group operates in the MENA region, including Bahrain, Egypt, Saudi Arabia and Lebanon. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict and has given rise to increased political uncertainty across the region. Such unrest in Egypt (which accounted for 11 per cent. of the revenue and 8 per cent. of the total assets of the Group as at 31 December 2015 and 11 per cent. of the revenue and 8 per cent. of the total assets of the Group as at 31 December 2014) and Bahrain (which accounted for 3 per cent. of the revenue and 7 per cent. of the total assets of the Group as at 31 December 2015 and 3 per cent. of the revenue and 7 per cent. of the total assets of the Group as at 31 December 2014) since 2011 has directly impacted the Group, including forcing the closure of some properties in Egypt for up to 60 days and the closure of its shopping mall in Bahrain for five days in 2011. It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the Group would be able to sustain its current profit levels if adverse political events or circumstances were to occur.

By way of example, since early 2008, global credit markets, particularly in the United States and Europe, have experienced difficult conditions of varying intensity. These challenging market conditions have resulted at times in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit markets. In addition, since late 2008, property and construction markets in the UAE and a number of other countries in the MENA region have been significantly adversely affected. As a result, in 2009 the fair values of the Group's properties were adversely affected which in turn resulted in a total comprehensive loss for the Group in that year. The Group could be adversely affected in the future by any deterioration of general economic conditions in the markets in which the Group operates, as well as by United States, European and international trading market conditions and/or related factors.

Investors should also note that the Group's business and financial performance could be adversely affected by political, economic or related developments both within and outside the MENA region because of interrelationships within the global financial markets.

Economic and/or political factors which could adversely affect the Group's business, financial condition, results of operations and prospects include:

- regional political instability, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the MENA region;
- government intervention, including expropriation or nationalisation of assets or increased levels of protectionism;
- an increase in inflation and the cost of living;
- a devaluation in the currency of any country in which the Group has operations;
- cancellation of contractual rights, expropriation of assets and/or inability to repatriate profits and/or dividends;
- increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies and land and water use and foreign ownership;
- arbitrary, inconsistent or unlawful government action;
- changing tax regimes, including the imposition of taxes in tax favourable jurisdictions such as the UAE;
- difficulties and delays in obtaining governmental and other approvals for the Group's operations or renewing existing ones; and
- potential lack of reliability as to title to real property in certain jurisdictions in which the Group operates.

There can be no assurance that either the economic performance of, or political stability in, the countries in which the Group currently operates or may in the future operate can or will be sustained. To the extent that economic growth or performance in these countries or the MENA region as a whole slows or begins to decline, or political conditions become sufficiently unstable to adversely affect the Group's operations in those countries, the Group's business, financial condition, results of operations and prospects may be adversely affected.

The Group's businesses are inter-dependent to a significant extent and this could increase its exposure to adverse events affecting any part of its business

The Group's businesses are inter-dependent to a significant extent and will be affected by factors that impact the retail industry as a whole, see "*Risks Relating to Majid Al Futtaim Retail*". For example, the financial performance of the Group's hypermarkets, other retail businesses, leisure and entertainment businesses and hotels are, in large part, dependent on the ability of the shopping malls in or close to which they are located to attract footfall. Conversely, the success of the Group's shopping malls is, to an extent, dependent on the extent to which its other businesses located in or close to the shopping malls act as an incentive to potential customers to visit the malls. As a result of this inter-dependence, adverse events affecting one part of the Group's business could also impact other parts of the business and therefore have a materially adverse effect on the Group's business, financial condition, results of operations and prospects.

As the Group derives the majority of its revenue and EBITDA from its activities in the UAE, it is particularly exposed to any adverse developments affecting the UAE and Dubai in particular

For the financial year ended 31 December 2015, 53 per cent. of the Group's revenue and 73 per cent. of the Group's EBITDA (and 53 per cent. of the Group's revenue and 67 per cent. of the Group's EBITDA for the financial year ended 31 December 2014) were attributable to its operations in the UAE, principally Dubai. This reflects the fact that a significant proportion of the Group's malls and Carrefour stores and nine of its twelve hotels which are currently operating are located in the UAE. In part, this is due to the fact that Dubai is a significant tourist destination. As a result, the Group is particularly exposed to adverse events affecting the UAE and Dubai in particular, including events which impact on Dubai's attractiveness as a tourist destination and to the occurrence of factors that result in a decline in consumer spending in the UAE, such as a downturn in general economic conditions, an increase in the cost of living, an increase in unemployment or a decline in tourism or business travel to Dubai. The occurrence of any or all of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's growth strategy depends on its ability to successfully manage its growth

The Group's strategy of continuing to expand its existing operations in its target markets is dependent on a number of factors. These include its ability to:

- identify suitable investments and/or development opportunities;
- reach agreements with joint venture and strategic partners on terms satisfactory to it;
- maintain, expand or develop relationships with customers, suppliers, contractors, lenders and other third parties;
- increase the scope of its operational and financial systems to handle the increased complexity and expanded geographic area of operations;
- secure adequate financing on commercially reasonable terms;
- recruit, train and retain qualified staff to manage its growing business efficiently and without losing operational focus; and
- obtain necessary permits or approvals from governmental authorities and agencies.

These efforts will require significant capital and management resources, further development of the Group's financial and internal controls and information technology (**IT**) systems, and additional training and recruitment of management and other key personnel. At the same time, the Group must maintain a consistent level of customer service across its operations to avoid loss of business or damage to its reputation. Any failure by the Group to manage its growth effectively could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group's businesses face significant competition in the markets in which they operate

Several of the markets in which the Group operates are highly competitive. In particular, the Group faces increased shopping mall and hotel competition in Dubai, where the majority of its business is concentrated. The population growth of Dubai from 1.3 million in 2005 to an estimated 2.4 million in 2015 (as estimated by the Dubai Statistics Centre), along with the growth in business and leisure travel to Dubai, contributed to the opening and announced development of a number of new shopping malls and hotels over this period. The global financial crisis and associated decline in the property and construction market in the UAE since the end of 2008 has placed additional competitive pressure on these businesses. The Group's Carrefour stores also face significant competition in many of the markets in which the Group operates, including the UAE and Saudi Arabia in particular.

Factors affecting the competitive environment in which the Group operates include, among others:

- certain of the Group's competitors may have greater financial, technical, marketing or other resources and, therefore, may be able to withstand price competition and volatility more successfully than the Group;
- some of the Group's competitors may have a lower cost of capital and access to funding sources that are not available to the Group, including in particular competitors that are controlled by regional governments, and, therefore, may be able to invest more heavily or effectively in their businesses than the Group;
- in many of the markets in which the Group operates, government permission is required to operate businesses and local governments grant access to land and infrastructure. As some of the Group's competitors are owned by the government of the countries in which they operate, they may benefit from preferential treatment; and
- some of the Group's competitors in markets outside the UAE may have a deeper cultural understanding or longer or broader operational experience in such markets, which may reduce the time and therefore the costs necessary for them to execute competing projects, and allow them to attract and retain customers more effectively than the Group.

If the Group is unable to compete effectively, it may not be able to achieve a market share that allows it to remain profitable or increase its market share in the markets in which it operates, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The countries in which the Group operates may introduce new laws and regulations that adversely affect the way in which the Group is able to conduct its businesses

The countries in which the Group operates are emerging market economies which are characterised by less comprehensive legal and regulatory environments. However, as these economies mature, and in part due to the desire of certain countries in the MENA region, in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and the Group expects they will continue, to implement new laws and regulations which could impact the way the Group conducts many of its businesses. For example, in 2007, the Dubai, Sharjah and Ajman governments passed laws restricting the ability of landlords to increase commercial rents and, in 2008, the Oman government followed suit. Furthermore, Dubai's legal system for addressing rent disputes is new and largely untested. Any rent disputes in Dubai are, in the first instance, referred to the Rental Dispute Settlement Centre, which began to operate in November 2013. In addition, the government of the UAE has announced the potential introduction of a value added tax to be implemented across the UAE. There can be no assurance that if a value added tax or other laws or regulations were imposed in respect of the products and services offered by the Group it would not adversely affect the way in which the Group conducts its business or otherwise adversely affect its financial condition, results of operations and prospects.

In addition, given the relatively illiquid nature of the Group's property assets, a change in law or regulation that results in the Group ceasing to conduct business in a particular country could result in a significant loss to the Group on the sale of its material properties in that country.

The Group may operate in countries which are subject to international sanctions and operates in countries which are affected by terrorist activities and any failure to comply with these sanctions or the occurrence of any such terrorist activities could adversely affect the Group

European, U.S. and other international sanctions have in the past been imposed on companies engaging in certain types of transactions with specified countries or companies or individuals in those countries. Companies operating in certain countries in the Middle East and Africa have been the subject of such sanctions in the past. The terms of legislation and other rules and regulations which establish sanctions regimes are often broad in scope and difficult to interpret.

Although the Group has in the past conducted business activities in countries which have been subject to sanctions, as at the date of this Base Prospectus, no Group company is in violation of any existing European, U.S. or other international sanctions. Should any Group company in the future violate any existing or further European, U.S. or international sanctions, penalties could include a prohibition or limitation on such company's ability to conduct business in certain jurisdictions or on the Group's ability to access the U.S. or international capital markets. Any such sanction could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group has operations in Pakistan, which has, in recent times, been affected by terrorist activities. To the extent further terrorist acts are carried out, in particular in the cities where the Group has stores, this may adversely affect demand for its services or products in those areas, which may in turn have a material adverse effect on its business, financial condition, results of operations and prospects.

Many of the Group's businesses are subject to licensing requirements and any failure to obtain such licenses or to comply with their terms could adversely affect the Group's businesses

Many of the Group's businesses are subject to licensing requirements, both at the local and national level. Because of the complexities involved in procuring licenses and permits, as well as in ensuring continued compliance with different and sometimes inconsistent local and national licensing regimes, the Group cannot give any assurance that it will at all times be in compliance with all of the licensing requirements to which it is subject although it is not aware of any material breaches that currently exist. Any failure by the Group to comply with applicable laws and regulations and to obtain and maintain requisite approvals, certifications, permits and licenses, whether intentional or unintentional, could lead to substantial sanctions, including criminal, civil or administrative penalties, revocation of its licenses and/or increased regulatory scrutiny, and liability for damages. It could also trigger a default under one or more of its financing agreements or invalidate or increase the cost of the insurance that the Group maintains for its businesses (insofar as it is covered for any consequential losses). For the most serious violations, it could also be forced to suspend operations until it obtains required approvals, certifications, permits or licenses or otherwise brings its operations into compliance. In addition, any adverse publicity resulting from any compliance failure, particularly as regards the safety of its leisure and entertainment venues and the food sold in its Carrefour stores, could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

Furthermore, changes to existing, or the introduction of new, laws or regulations or licensing requirements in the jurisdictions in which it operates are beyond the Group's control and may be influenced by political or commercial considerations not aligned with the Group's interests. Any such laws, regulations or licensing requirements could adversely affect its business by reducing its revenue and/or increasing its operating costs, and the Group may be unable to mitigate the impact of such changes. Any of these occurrences could have a material adverse effect on its business, financial condition, results of operations and prospects.

Group companies are party to a number of joint ventures and franchise arrangements which give rise to specific operational risks

Group companies may enter into joint venture agreements for a number of reasons, including to gain access to land or where it is required to operate with a local partner in a particular jurisdiction. Joint venture transactions present certain operational risks, including the possibility that the joint venture partners may have economic, business or legal interests or goals that are inconsistent with those of the Group, may become bankrupt, may refuse to make additional investments that the Group deems necessary or desirable or may prove otherwise unwilling or unable to fulfil their obligations under the relevant joint venture agreements. In addition, there is a risk that such joint venture partners may ultimately become competitors of the Group. Many of the Group's joint venture partners are governmental agencies which exposes the Group to additional risks, including the need to satisfy both political and regulatory demands and the need to react to differences in focus or priorities between successive governments, both of which can lead to delays in decision making, increased costs and greater exposure to competition.

To the extent that the Group does not control a joint venture, the joint venture partners may take action that is not in accordance with Group policies or objectives. Should a joint venture partner act contrary to the Group's interests, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The Group's most significant joint venture is currently with Carrefour, see "*Risks Relating to Majid Al Futtaim Retail—Majid Al Futtaim Retail is dependent on its relationship with Carrefour and the market perception of Carrefour*". Certain matters identified in this joint venture agreement require the approval of Carrefour, see "*Description of the Group—Majid Al Futtaim Retail—Agreements with Carrefour*".

The Group is party to a number of franchise agreements, of which the most important is the franchise agreement with Carrefour. As such, the Group is exposed to the risk of such agreements not being renewed when they expire and to the risk of non-performance by the relevant franchisor, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Certain of the Group's debt agreements contain restrictions that may limit the flexibility of the Group in operating its businesses

Certain of the Group's debt agreements contain covenants that limit its ability to engage in specified types of transactions. These include covenants requiring the Group's operating subsidiaries to maintain certain net worth, interest coverage and debt to equity ratios. Certain of the Group's debt agreements also contain covenants limiting the Group's and its operating subsidiaries' ability to, among other things:

- incur or guarantee additional financial indebtedness;
- grant security or create any security interests; and
- sell, lease, transfer or otherwise dispose of any of its assets without the consent of the relevant lender, unless the disposal is made in the ordinary course of business or to another Group company.

The Master Trust Deed will contain covenants from each of Majid Al Futtaim Holding and Majid Al Futtaim Properties similar to certain of those described above, see "*Summary of the Principal Transaction Documents—Master Trust Deed*". The terms and conditions of any notes issued under the U.S.$3 billion global medium term note programme (the "**GMTN Programme**") established by Majid Al Futtaim Holding and Majid Al Futtaim Properties on 14 June 2011 and most recently updated on 7 April 2015 will also contain similar covenants.

In addition, certain of the Group's outstanding debt contains, and its future debt may contain, cross default clauses whereby a default under one debt obligation may constitute an event of default under other debt obligations. Any of these covenants could prevent the Group from engaging in certain transactions that it may view as desirable.

Although the Group believes that it is currently in compliance with its covenants and is not currently aware of any circumstances which indicate that the Group may in the future be in breach of any such covenants, there can be no assurance that the Group will continue to comply with all such covenants in the future. The Group's continued compliance with these covenants depends on a number of factors, some of which are outside of the Group's control. The Group's activities in all of its operating segments are affected by the global economic environment and the economic environment in the jurisdictions in which it operates (see "*—All of the Group's businesses are affected by the economic and political conditions in the markets in which they operate*"). Further, in the event that the financial results of the Group deteriorate, the Group may no longer be able to comply with financial covenants (such as those mentioned above) under certain of its debt agreements. In these circumstances, the Group may be required to either obtain a waiver from its creditors, renegotiate its credit facilities, raise additional financing from its shareholders or repay or refinance borrowings in order to avoid the consequences of a default. If the Group were unable to obtain such a waiver, to renegotiate its credit facilities, to raise additional financing from its shareholders or to repay or refinance its borrowings on terms that are acceptable to it, or at all, the Group's creditors would be entitled to declare an event of default and, as a result of cross-default provisions, there would be a strong possibility that default would also arise in respect of a substantial portion of the Group's other financial indebtedness, including the Certificates. Such an event would permit the Group's creditors, including the holders of Certificates, to demand immediate payment of the outstanding borrowings under the relevant debt agreements and instruments and to terminate all commitments to extend further credit to the Group. Such an event would also affect the Group's ability to raise additional capital at an acceptable cost in order to fund its operations. Any of these occurrences could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

As at 31 December 2015, the Group had short-term borrowings from related parties of AED53 million and nil as a bank overdraft. Approximately 20 per cent. of the Group's existing long-term borrowings at 31 December 2015 fall due to be repaid within one year, including drawdowns under revolving credit facilities which have a final maturity date in 2018 and 2020. To the extent that it needs to, there is no assurance that the Group will be able to refinance such maturing borrowings as they fall due on terms acceptable to it or at all.

As at 31 December 2015, the Group had AED10,586 million in outstanding borrowings (excluding bank overdrafts and short term borrowings from related parties). Of this amount, AED1,521 million was borrowing which had the benefit of security, see "*Group Financial Review—Liquidity and Borrowings*". As unsecured creditors, the claims of Noteholders will rank behind the claims of the Group's secured creditors to the extent of the security granted.

The Group's business may be adversely affected by changes in interest rates

Interest rates are highly sensitive to many factors beyond the Group's control, including the interest rate and other monetary policies of governments and central banks in the jurisdictions in which it operates. As at 31 December 2015, a significant portion of the Group's interest bearing loans and borrowings carried interest at floating rates. A hypothetical 1.0 per cent. increase in interest rates (assuming all other relevant factors remained constant) would have resulted in the Group's finance costs increasing by AED200 million in 2015. The Group's interest-bearing loans and borrowings are subject to interest rate risk resulting from fluctuations in the relevant reference rates underlying such instruments. Consequently, any increase in such reference rates would result in an increase in the Group's interest rate expense and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Although the Group seeks to hedge part of its interest rate risk, there can be no assurance that this hedging will be successful or will protect the Group fully against its interest rate risk. Such failure to successfully hedge against changes in interest rates could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Foreign exchange movements may adversely affect the Group's profitability

The Group maintains its accounts and reports its results in dirham, the currency in which the majority of its revenue is earned. A portion of the Group's income and expenses are incurred in the currencies of other countries in the MENA region. As a result, the Group is exposed to movements in foreign exchange rates. Although there can be no assurance that foreign currency fluctuations will not adversely affect the Group's results of operations in the future, the Group's management believes that the Group is not currently subject to significant foreign exchange risk given the fact that the majority of its revenue and expenses is incurred in dirham or in currencies which, like the dirham, are pegged to the U.S. dollar at a fixed exchange rate. In relation to its other currency earnings and expenses, the Group's management believes that its foreign exchange rate risk is reduced by the fact that to a large extent its revenue in a local currency is matched by its expenses being incurred in the same currency.

As at the date of this Base Prospectus, the dirham remains pegged to the U.S. dollar. However, there can be no assurance that the UAE government will not de-peg the dirham from the U.S. dollar, or alter the fixed exchange rate between the two currencies, in the future, which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The Group's ability to carry on and grow its businesses will depend, in part, on its ability to continue to attract, retain and motivate qualified and skilled personnel to manage its day-to-day operations. In particular, the Group depends on finance, technical and engineering staff at both middle management and senior management level. Experienced and capable personnel with these skill sets generally and in the industries in which the Group operates in particular remain in high demand, and there is significant competition in the MENA region for their talents. Consequently, when any such employees leave, the Group may have difficulty replacing them. In addition, the loss of key members of the Group's senior management team or staff with institutional knowledge may result in (amongst other things): (i) a loss of organisational focus; (ii) poor execution of operations and the Group's corporate strategy; and (iii) an inability to identify and execute potential strategic initiatives such as future investments and acquisitions. These adverse results could, among other things, reduce potential revenue, expose the Group to downturns in the markets in which it operates and/or otherwise have a materially adverse affect on its business, financial condition, results of operations and prospects.

The Group's businesses expose it to health and safety risks

Due to the people-based nature of its business, the Group's operations are subject to health and safety risks, particularly in relation to its shopping malls and leisure and entertainment businesses. Although all of the shopping malls currently comply with applicable health and safety standards, there can be no assurance that a major health and safety hazard, such as a fire, will not occur. Given the high number of shoppers that visit the Group's shopping malls on a daily basis, such an event could have serious consequences, particularly in the event of fatalities. Similarly, although the Group's leisure and entertainment facilities and hotels also comply with currently applicable health and safety standards, there can be no assurance that the customers of these facilities will not engage in inappropriate behaviour, endangering their safety and the safety of others. Any of the foregoing incidents could expose the Group to material liability and adversely effect its reputation. All of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may not be able to secure full insurance coverage for the risks associated with the operation of its businesses

Management believes that the Group's insurance coverage for all material aspects of its operations is comparable to that of other companies operating in the sectors and markets in which the Group operates. The Group's operations may, however, be affected by a number of risks for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions or potential damage to its facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes, natural catastrophes and other eventualities, may result in losses or expose the Group to liabilities in excess of its insurance coverage or significantly impair its reputation. There is no assurance that the Group's insurance coverage will be sufficient to cover the loss arising from any or all such events or that it will be able to renew existing insurance cover on commercially reasonable terms, if at all.

Should an incident occur for which the Group has no, or insufficient, insurance cover, the Group could lose all or part of the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed. Any of these occurrences could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The interests of the Group's controlling shareholder may, in certain circumstances, be different from the interests of the Certificateholders

The Group's controlling shareholder is Mr Majid Al Futtaim who beneficially owns almost all of the shares in Majid Al Futtaim Holding. As a result, Mr Majid Al Futtaim is in a position to control the outcome of actions requiring shareholders' approval and also has the ability to approve the election of all the members of the board of directors (the Board) of Majid Al Futtaim Holding and thus influence Board decisions. The interests of Mr Al Futtaim may be different from those of the Group's creditors (including the Certificateholders).

During the ordinary course of business, Group companies may become subject to lawsuits which could materially and adversely affect the Group

From time to time, Group companies may in the ordinary course of business be named as defendant in lawsuits, claims and other legal proceedings. These actions may seek, among other things, compensation for alleged losses, civil penalties or injunctive or declaratory relief. In the event that any such action is ultimately resolved unfavourably at amounts exceeding the Group's accrued liability, or at material amounts, the outcome could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's operations are in emerging markets which are subject to greater risks than more developed markets, including significant political, social and economic risks

All of the Group's operations are conducted, and its assets are located in emerging markets. There is no assurance that any political, social, economic and market conditions affecting such countries and the MENA region generally would not have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Any unexpected changes in the political, social, economic or other conditions in the countries in which the Group operates or neighbouring countries may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Investors should also be aware that emerging 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 developing markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

RISKS RELATING TO MAJID AL FUTTAIM PROPERTIES

Majid Al Futtaim Properties' business is capital intensive and it may not be able to raise sufficient capital to make all future investments and capital expenditures that it deems necessary or desirable

Majid Al Futtaim Properties engages in projects which require a substantial amount of capital and other long-term expenditures, including the development of new shopping malls, hotels and mixed-use developments. The capital commitments associated with these projects generally exceed Majid Al Futtaim Properties' cash inflows over the period of the project. In the past, these expenditures and investments have been financed through a variety of means, including internally-generated cash and external borrowings.

Majid Al Futtaim Properties and the Group's ability to arrange external financing and the cost of such financing are dependent on numerous factors, including its future financial condition, general economic and capital market conditions, interest rates, credit availability from banks or other lenders or investors, lender and investor confidence in Majid Al Futtaim Properties and the Group's businesses and the markets in which they operate, the credit rating assigned to Majid Al Futtaim Properties and the Group by credit rating agencies, applicable provisions of tax and securities laws, and political and economic conditions in any relevant jurisdiction. Neither Majid Al Futtaim Properties nor the Group can provide any assurance that it will be able to arrange any such external financing on commercially reasonable terms, if at all, and it may be required to secure financing with a lien over its assets and those of its subsidiaries and/or agree to contractual limitations on the operation of its businesses. Majid Al Futtaim Properties or the Group's failure to obtain adequate funding as required to satisfy its contractual commitments could result in defaults on existing contracts, completion delays and damage to Majid Al Futtaim Properties and the Group's reputation as a reliable contractual counterparty, and could have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

A significant proportion of Majid Al Futtaim Properties' and the Group's assets at 31 December 2015 comprised real estate held either as property, plant and equipment or investment property.

The valuation of these assets is inherently subjective, the values attributed to these assets may not accurately reflect their market value at any future date and they may be difficult to sell

The Group appoints an independent external Royal Institute of Chartered Surveyors ("**RICS**") valuer to determine the fair value of its real estate assets bi-annually as at 30 June and 31 December in each year. However, real estate valuations are inherently subjective because they are made on the basis of assumptions that may prove to be incorrect. No assurance can be made that the valuations of the Group's real estate assets will reflect actual sale prices, even where any such sale occurs shortly after the relevant valuation date. Significant differences between valuations and actual sales prices could have a material adverse effect on the financial condition and results of operations both of Majid Al Futtaim Properties (which is the owner of the majority of the assets) and the Group as a whole.

Given that real estate assets in general are relatively illiquid, the ability of Majid Al Futtaim Properties to sell promptly one or more of its properties in response to changing political, economic, financial and investment conditions is limited. Majid Al Futtaim Properties is susceptible to decreases in demand for commercial property in the MENA region, and in particular Dubai, given its exposure to the real estate market there. Majid Al Futtaim Properties cannot predict the length of time needed to find a willing purchaser and to close the sale of a property or whether it would be able to sell a property on commercially reasonable terms, if at all. Majid Al Futtaim Properties' inability to promptly sell its properties or on commercial terms could have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

The success of Majid Al Futtaim Properties' business strategy and profitability depends upon its ability to locate and acquire or lease land suitable for development at attractive prices

Majid Al Futtaim Properties' growth and profitability to date have been attributable, in part, to its ability to locate and acquire or lease land at attractive prices, and the success of Majid Al Futtaim Properties' business strategy and future profitability depends upon its continued ability to do so. Many of Majid Al Futtaim Properties' most significant competitors are owned by the government of the countries in which they operate and, therefore, they may be accorded preferential treatment when acquiring land. In the past, Majid Al Futtaim Properties has been able to acquire land suitable for its planned shopping malls, hotels and other developments, but there can be no assurance that it will continue to be able to acquire land suitable for development in the future at attractive prices. In addition, Majid Al Futtaim Properties faces the risk that competitors may anticipate and capitalise on certain potential investment opportunities in advance of Majid Al Futtaim Properties doing so, which could have a material adverse affect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects of the Group as a whole.

The MENA region in which Majid Al Futtaim Properties operates is characterised by a lack of real estate transparency

According to a real estate transparency survey conducted by Jones Lang LaSalle in 2014, the real estate markets in which Majid al Futtaim Properties and the Group operates are categorised as semi-transparent (Dubai, Bahrain, Qatar, Kenya and Abu Dhabi), low-transparent (Jordan, Saudi Arabia, Egypt, Oman, Lebanon and Kuwait) and opaque (Pakistan, Kazakhstan and Iraq). The degree of transparency of a real estate market is determined by reference to a number of factors, including comparable transactions, accessibility of information relating to counterparties and land title, reliability of market data, clarity of regulations relating to all matters of real estate conveyance and access to government agencies to verify information provided by counterparties in connection with real estate transactions. Although Majid Al Futtaim Properties endeavours to undertake comprehensive due diligence with respect to its real estate investments in order to mitigate any risks in connection with the markets in which it operates, there can be no assurance that the factors described above will not result in its discovery at a later date of information or liabilities in association with its investments that could affect their value, expected purpose or returns on investment, which could in turn have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

Majid Al Futtaim Properties does not have unrestricted title to all of its land parcels

Further, in a limited number of cases, Majid Al Futtaim Properties acquires title to land parcels which are subject to certain conditions as to the timeframe within which the land should be developed. If Majid Al Futtaim Properties fails to comply with any such conditions, it may lose title to the land parcel concerned.

In Egypt, title to the land on which one of Majid Al Futtaim Properties' shopping malls is built is in the process of being transferred to Majid Al Futtaim Properties, which may be a lengthy process. Registration of title to Majid Al Futtaim Properties' land parcels (including one project under construction) may also be subject to conditions in relation to the completion of construction thereon.

If Majid Al Futtaim Properties loses title or is unable to acquire title to its properties, this could have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

Majid Al Futtaim Properties has not to date experienced a situation where its title or interest in its properties or land parcels has been lost, has been the subject of legal proceedings leading to the loss of title or interest in its properties or land parcels. However, Majid Al Futtaim Properties is subject to the risk that it may not in the future be able to acquire or be granted unrestricted title or interest to any land and/or that it could be determined to be in violation of applicable law should it violate any restrictions applicable to any such title or interest. Any such outcome could have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

Majid Al Futtaim Properties is exposed to a range of development and construction risks

Majid Al Futtaim Properties is subject to a number of construction, financing, operating and other risks associated with project development which have resulted, and may in the future result, in significant cost overruns and delays in the delivery of its projects. These risks include, but are not limited to:

- shortages and increases in the cost of raw materials (such as steel and other commodities common in the construction industry), energy, building equipment (including, in particular, cranes), labour or other necessary supplies;
- shortages of project managers, contractors and construction specialists, both within Majid Al Futtaim Properties and externally, to ensure that planned developments are delivered both on time and on budget;
- an inability to obtain on a timely basis, if at all, requisite governmental licenses, permits or approvals;
- an inability to obtain necessary financing arrangements on acceptable terms or at all, and otherwise fund construction and capital improvements and provide any necessary performance guarantees;
- defaults by, or the bankruptcy or insolvency of, contractors and other counterparties;
- inadequate infrastructure, including as a result of failure by third parties to provide utilities and transportation and other links that are necessary or desirable for the successful operation of a project; and
- discovery of design or construction defects and otherwise failing to complete projects according to design specification.

The occurrence of one or more of these events may negatively affect the ability of Majid Al Futtaim Properties' contractors to complete the development and construction of projects on schedule, if at all, or within the estimated budget, and may prevent Majid Al Futtaim Properties from achieving projected internal rates of return for its projects, which could in turn have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the revenues that Majid Al Futtaim Properties is able to generate from its development and construction projects will be sufficient to cover the associated construction costs.

Majid Al Futtaim Properties' rental revenues depend upon its ability to find tenants for its shopping malls and offices and the ability of such tenants to fulfil their lease obligations as well as on Majid Al Futtaim Properties achieving an optimal tenant mix for its shopping malls. In addition, Majid Al Futtaim Properties is exposed to tenant concentration

There can be no guarantee that Majid Al Futtaim Properties will find or be able to retain tenants for its shopping malls and other properties on terms and conditions that are satisfactory to it. In addition, Majid Al Futtaim Properties' tenants may be adversely affected by a range of factors which may affect their ability to perform their obligations under the relevant lease agreements and may therefore adversely affect the financial performance of the properties leased by Majid Al Futtaim Properties and the cash flows generated by them. Further, certain jurisdictions in which Majid Al Futtaim Properties operates as a landlord, including the UAE, have imposed restrictions on rental increases and these restrictions may also adversely impact Majid Al Futtaim Properties' business.

Majid Al Futtaim Properties seeks to ensure that it has the right mix of retail outlets in its shopping malls to cater to the consumer preferences of its local customers. In pursuit of this strategy, Majid Al Futtaim Properties has sought in the past, and may seek in the future, to terminate lease agreements of existing tenants in order to replace them with new tenants to its shopping malls. In addition, Majid Al Futtaim Properties may seek to terminate the lease agreements of tenants who default under their leases. It is relatively difficult to evict tenants under the laws of the jurisdictions in which Majid Al Futtaim Properties operates. Therefore, Majid Al Futtaim Properties may experience delays in evicting tenants for cause or changing its tenant mix to meet strategic directives prior to the expiry of relevant lease terms, and efforts to do so could require considerable expense. Although Majid Al Futtaim Properties' tenants have rarely defaulted in performing their obligations under the lease agreements they have entered into with Majid Al Futtaim Properties, should one or more tenants stop paying rent for a period of time, whether with or without cause, this could reduce Majid Al Futtaim Properties' cash flows and could have a material adverse affect on the business, financial condition, results of operations and prospects of Majid Al Futtaim Properties and the Group as a whole.

A significant proportion of the tenants in Majid Al Futtaim Properties' shopping malls are members of a limited number of large retail groups. As a result, Majid Al Futtaim Properties would be materially adversely affected should any of these retail groups cease to carry on business with Majid Al Futtaim Properties or at all.

Majid Al Futtaim Properties' shopping malls depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of, or a store closure by, one or more of these tenants

Shopping malls are typically anchored by hypermarkets, department stores and other large nationally recognised tenants. Many of Majid Al Futtaim Properties' major tenants are owned by a limited number of large retail groups. The performance of some of Majid Al Futtaim Properties' shopping malls could be adversely affected if these tenants fail to comply with their contractual obligations, seek concessions in order to continue operations, or cease their operations. Concessions made to existing tenants may also be made to potential new tenants with a view to attracting such potential new tenants. There is no assurance that any such concessions made will achieve their purpose or will not materially adversely affect Majid Al Futtaim Properties and the Group's revenue or profitability. In addition, the closure of tenants' operations may enable other tenants to negotiate a modification to the terms of their existing leases, and such closures could result in decreased customer traffic which could adversely affect the performance of the shopping mall concerned and, as a result, could have a material adverse affect on the business, financial condition, results of operations and prospects of Majid Al Futtaim Properties and the Group as a whole.

Majid Al Futtaim Properties' hotels are all managed by independent third-party operators and Majid Al Futtaim Properties is, therefore, exposed to the performance of these operators

Majid Al Futtaim Properties has entered into hotel management agreements with Accor Sàrl ("**Accor**"), Kempinski Hotels S.A. ("**Kempinski**"), Hilton International Manage LLC ("**Hilton**") and Starwood EAME License and Services Company BVBA ("**Sheraton, Westin, Le Meridien**"). While Majid Al Futtaim Properties has close relationships with the operators of its hotels and a successful track record of working with them to make property and operational improvements, Majid Al Futtaim Properties does not have the means to compel any hotel to be operated in a particular manner or to govern any particular aspect of its operations. Therefore, even if Majid Al Futtaim Properties believes its properties are being operated inefficiently or in a manner that does not result in satisfactory revenues or operating profits, it will generally not have rights under the management agreements to change who operates the properties or how they are operated until the expiry of the term of the agreements unless there is a breach of specific contractual provisions permitting such termination. Majid Al Futtaim Properties can only seek redress if an operator breaches the terms of the management agreements or, in the case of the agreements with Kempinski, if the hotel does not reach certain prescribed levels of profitability for three consecutive years, and then only to the extent of the remedies provided for under the terms of that agreement. In the event that Majid Al Futtaim Properties were to seek to replace any of its current hotel operators, it would likely experience significant disruptions at the affected properties, which could have a material adverse effect on the business, results of operations, financial condition and prospects of Majid Al Futtaim Properties and the Group as a whole.

RISKS RELATING TO MAJID AL FUTTAIM RETAIL

Majid Al Futtaim Retail's results of operations and financial performance could be materially adversely affected by a change in consumer preferences, perception and/or spending

Majid Al Futtaim Retail accounted for 81 per cent. of the Group's revenue and 31 per cent. of the Group's EBITDA for the financial year ended 31 December 2015. Majid Al Futtaim Retail's performance depends on factors which may affect the level and patterns of consumer spending in the UAE and the MENA region. Such factors include consumer preferences, confidence, incomes and perceptions of the quality of certain products. A general decline in purchases at Majid Al Futtaim Retail's Carrefour stores could occur as a result of a change in consumer preferences, perceptions and spending habits at any time and Majid Al Futtaim Retail's future success will depend partly on its ability to anticipate or adapt to such changes and to offer, on a timely basis, new products that match consumer demand. Such changes, and a failure to adapt its offering to respond to them, may result in reduced demand for the products sold at Majid Al Futtaim Retail's Carrefour stores, a decline in the market share of its products and increased levels of selling and promotional expenses. Any changes in consumer preferences could result in lower sales of the products sold at Majid Al Futtaim Retail's Carrefour stores or put pressure on pricing, and could materially adversely affect the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole.

Majid Al Futtaim Retail is dependent on its relationship with Carrefour and the market perception of Carrefour

All of Majid Al Futtaim Retail's revenue and EBITDA for the financial year ended 31 December 2015 was derived from the operations of its Carrefour stores. The business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole could be materially and adversely affected to the extent that Majid Al Futtaim Retail's franchise rights with Carrefour become compromised in any material respect.

In addition, the willingness of the public to shop at Carrefour, which is considered by many to be associated with France, is also subject to various factors outside Majid Al Futtaim Retail's control, including the public's perception of Carrefour and, more generally, of France. Should any of these factors be perceived in a negative manner, this would have a material adverse affect on the financial condition and results of operations of Majid Al Futtaim Retail and the Group as a whole.

The planned increase in the number of Carrefour stores may not be achieved

Majid Al Futtaim Retail plans to open eleven Carrefour hypermarkets (two stores in Pakistan, Iraq and Kenya, and one store in each of Qatar, Oman, Egypt, Saudi Arabia, Kazakhstan) during 2016. In addition, Majid Al Futtaim Retail plans to open 14 Carrefour supermarkets during 2016.

However, there can be no assurance that it will be able to expand its store network as planned or that all of such new stores will be profitable. While the Group's management believes that Majid Al Futtaim Retail has identified areas in the MENA region where Majid Al Futtaim Retail could increase the number of its stores, unforeseen factors could result in potential sites not becoming available on acceptable terms. This could adversely affect the business, reputation, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole. Furthermore, if competitors are able to secure high-quality sites, they may be able to gain market share and may effectively restrict Majid Al

Futtaim Retail's ability to grow. In addition, Majid Al Futtaim Retail's ability to open new stores, convert or refurbish existing stores, change the use of part of an existing store or implement any of these activities without delay may be significantly restricted by regulatory obstacles associated with obtaining the approvals, permits, consents and/or registrations necessary to construct and/or operate its stores, which could have a material adverse effect on the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole.

Interruptions in the availability of products from suppliers or any changes in the costs to Majid Al Futtaim Retail of obtaining such products could adversely affect its business

Majid Al Futtaim Retail's operations may be interrupted or otherwise adversely affected by delays or interruptions in the supply of its products or the termination of any product supplier arrangement where an alternative source of product supply is not readily available on substantially similar terms. Any breakdown or change in Majid Al Futtaim Retail's relationships with product suppliers could materially adversely affect the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole. If Majid Al Futtaim Retail is forced to change a supplier of products, there is no guarantee that this would not interrupt supply continuity or result in additional cost. Further, Majid Al Futtaim Retail is currently able to secure significant rebates and other supplier benefits from its product suppliers. Should these benefits decline or become unavailable, this could have a material adverse effect on the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole.

In addition, the price of the products which Majid Al Futtaim Retail sells at its Carrefour stores may be significantly affected by the cost of the raw materials used to produce those products in the source markets of Majid Al Futtaim Retail's suppliers. Wherever practicable, Majid Al Futtaim Retail seeks to put in place supply contracts which ensure the supply of products for the period that they are anticipated to be offered by the Carrefour stores and in such quantities as its forecasts require. Failure to continue to source products at competitive cost from international markets or to forecast accurately the required quantities could result in Majid Al Futtaim Retail having to buy products from other suppliers on short-term contracts which could result in additional cost. Any increases in the prices of products where prices have not been fixed under contractual supply agreements could materially adversely affect the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole.

Interruptions in or changes to the terms of Majid Al Futtaim Retail's shipping or distribution arrangements could adversely affect its business

Majid Al Futtaim Retail is reliant on the services of third-party distribution, shipping and haulage companies for the movement and storage of its private label goods and the entire range of products for its Carrefour supermarkets within the regions in which it operates and the jurisdictions from which it sources its products. Although it has entered into management contracts with two third-party distribution, shipping and haulage companies, any change in the terms of, interruption or failure in the services of one or more of these service providers could affect Majid Al Futtaim Retail's ability to supply and distribute its products and consequently could materially adversely affect the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole. Such interruption or failure could potentially involve significant additional costs to Majid Al Futtaim Retail in obtaining an alternative source of supply or distribution.

Majid Al Futtaim Retail faces the risk of product liability claims and associated adverse publicity

The packaging, marketing, distribution and sale of food products purchased from others, as well as production of foods under Carrefour's private labels, entail an inherent risk of contamination or deterioration, which could potentially lead to product liability claims, product recalls and associated adverse publicity. Any contaminated products inadvertently distributed by Majid Al Futtaim Retail may, in certain cases, result in illness, injury or death, or lead to product liability claims asserted against Majid Al Futtaim Retail and/or require product recalls. There can be no assurance that such claims will not be asserted against it in the future, or that such recalls will not be necessary. While the Group has product liability insurance, such policy does not include insurance cover against product recall specifically and there is no certainty that any product liability insurance available to the Group will be sufficient to cover all claims, or any product recall claims, that may be asserted against it.

In addition, because Majid Al Futtaim Retail's success is linked to the reputation of Carrefour, any product liability claims or product recalls that cause adverse publicity involving Carrefour stores not owned by Majid Al Futtaim Retail may have an adverse effect on Majid Al Futtaim Retail, regardless of whether such claim or recall involves any products sold by Majid Al Futtaim Retail's Carrefour franchises. Further, even if a product liability claim is not successful or is not fully pursued, the negative publicity surrounding any assertion that the products it sells caused illness or injury could adversely affect Carrefour's reputation with existing and potential customers, as well as the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole. See "*—Risks Relating to the Group—The Group may not be able to secure full insurance coverage for the risks associated with the operation of its businesses*".

RISKS RELATING TO MAJID AL FUTTAIM VENTURES

Majid Al Futtaim Ventures' wholesale finance and credit card businesses may require higher costs of funding and expose it to credit risk

Majid Al Futtaim Ventures issues credit cards through its wholly owned subsidiary Majid Al Futtaim Finance. As the Group does not have a consumer banking operation, which is considered to be one of the principal means of achieving inexpensive funding to support such business, such operations are funded through intra-Group and third party loans, which may be more costly than the funding to which certain of its competitors, particularly local and regional banking groups, have access to. A decrease in Majid Al Futtaim Ventures' access to external funding in particular, or a rise in the cost of intra-Group funding, could have an adverse effect on the results of operations and prospects of Majid Al Futtaim Ventures' credit card business.

In addition, the target customers of its credit card business are principally UAE residents. The UAE lacks a centralised credit bureau, and Majid Al Futtaim Ventures and its competitors do not share customer information. Therefore, this business is unable to confirm independently information provided by credit applicants regarding the extent of their credit exposure. As a result, customers may be overextended by virtue of other credit obligations about which Majid Al Futtaim Ventures is unaware. To some extent, Majid Al Futtaim Ventures is therefore exposed to credit risks which it may not be able to accurately assess or provide for and, in the case of expatriates, may be unable to enforce a judgment obtained against defaulting creditors who no longer live in the UAE. Such credit risks could have an adverse effect on the results of operations and prospects of Majid Al Futtaim Ventures.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH CERTIFICATES ISSUED UNDER THE PROGRAMME

Risks relating to the Murabaha Contracts

Taxation risk

Pursuant to the terms of the Master Murabaha Agreement, in connection with each Series of Certificates outstanding from time to time under the Programme, the Trustee (as Seller) shall enter into a Commodity Murabaha Investment with Majid Al Futtaim Properties (as Buyer) using no more than 66 per cent. of the issue proceeds of the relevant Series. Upon the receipt of and pursuant to a purchase order from the Buyer, the Seller will purchase certain commodities from certain suppliers at the spot price and the Buyer will irrevocably undertake to purchase such commodities from the Seller in consideration for a deferred sale price.

Upon purchasing and prior to on-selling any commodities, the Buyer will for a limited period assume the legal and beneficial title to such commodities. It is possible that the acquisition of the commodities, or the disposal thereof, may be, or may by virtue of a change in law become, subject to increased taxation. To the extent that taxation costs arise in respect of the Buyer's acquisition, ownership or disposition of the commodities, there may be a material adverse effect on the Buyer's ability to perform its obligations (including payment obligations) under the Master Murabaha Agreement and, in turn, in respect of the Certificates.

Price fluctuation risk

The price at which a commodity changes hands is determined as a function of its market as a whole, and both under-supply and over-supply of a commodity can have significant implications for the price at which it is traded. If, after the Buyer has purchased any commodities, the market for the commodities becomes over-supplied or flooded, the price at which the commodities can be on-sold or traded subsequently may be adversely affected. Similarly, if after the Buyer has purchased the commodities, additional governmental or import or export licences become applicable to the market for the commodities, the price at which the commodities can be sold or traded subsequently may also be adversely affected. The effect of such price fluctuations may have a material adverse impact on the Buyer's ability to secure satisfactory on-sale prices for the commodities and, in turn, have a material adverse effect on the Buyer's ability to perform its obligations (including payment obligations) under the Master Murabaha Agreement and, in turn in respect of the Certificates.

Commodity risk

Upon purchasing commodities from the Seller and prior to selling the commodities to an independent third party purchaser, the Buyer will for a limited period assume the operational risks associated with taking ownership of the commodities. These risks include, without limitation, that:

(a) the commodities may suffer damage of a nature that reduces their value whilst in storage or during transit;

(b) the Buyer's storage and/or transfer of the commodities may cause environmental damage, such as pollution, leakage or contamination, which may breach environmental laws or regulations making the Buyer susceptible to legal or financial recourse;

(c) the commodities may be liable to theft and or vandalism; and

(d) the commodities may be damaged by terrorist attacks, natural disasters, fire or other catastrophic events that are beyond the control of the Buyer.

To the extent that these risks are not mitigated, or fully covered, by any insurance taken out in respect of the commodities, the occurrence of any of these events may have a material adverse effect on the value of the commodities and/or the Buyer's ability to on-sell the commodities which may, in turn, affect the Buyer's ability to perform its obligations (including payment obligations) under the Master Murabaha Agreement and, in turn in respect of the Certificates.

Risks relating to the Portfolio Assets

Ownership of the Portfolio Assets

In order to comply with the requirements of Sharia, an interest in the Portfolio Assets comprised within the relevant Wakala Portfolio will pass to the Trustee under the relevant Purchase Agreement. The Trustee will declare a trust in respect of such Wakala Portfolio and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the relevant Trust Deed. Accordingly, Certificateholders will through the ownership interest of the Trustee, have an ownership interest in the relevant Portfolio Assets comprised within such Wakala Portfolio unless the transfer of the Portfolio Assets is prohibited by, or is ineffective under, any applicable law (see "*—Transfer of the Portfolio Assets*" below).

No investigation or enquiry will be made and no due diligence will be conducted in respect of any Portfolio Assets comprised within any Wakala Portfolio. Such Portfolio Assets will be selected by Majid Al Futtaim Properties and the Certificateholders, the Trustee and the Delegate will have no ability to influence such selection. Only limited representations will be obtained from Majid Al Futtaim Properties in respect of the Portfolio Assets of any Series. No steps will be taken to perfect the transfer of the ownership interest (including registration) in the Portfolio Assets with any relevant regulatory authority in the UAE or otherwise give notice to any lessee or obligor in respect thereof.

In addition, if and to the extent that a third party is able to establish a direct claim against the Trustee, the Delegate or any Certificateholders on the basis of any ownership interest in the Portfolio Assets of any Series, Majid Al Futtaim Properties (failing which the Guarantor) has agreed in the relevant Trust Deed to indemnify the Trustee, the Delegate and the Certificateholders against any such liabilities. In the event that Majid Al Futtaim Properties (failing which the Guarantor) is unable to meet any such claims then the Certificateholders may suffer losses in excess of the original face amount invested.

Transfer of the Portfolio Assets

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

Nevertheless, as indicated earlier, the Certificateholders will not have any rights of enforcement as against the Trust Assets and their rights are limited to enforcement against Majid Al Futtaim Properties (failing which the Guarantor, in accordance with the Guarantee) of its obligation to purchase the Portfolio Assets pursuant to the terms of the Purchase Undertaking, and to pay all outstanding amounts of the Deferred Sale Price pursuant to the terms of the Master Murabaha Agreement and relevant Murabaha Contract. Accordingly, any such restriction on the ability of Majid Al Futtaim Properties to perfect the sale of the Portfolio Assets to the Trustee is likely to be of limited consequence to the rights of the Certificateholders.

By way of further assurance in respect of the Portfolio Assets specifically, Majid Al Futtaim Properties has covenanted in the Purchase Undertaking that to the extent that any transfer of any of the Portfolio Assets is not effective in any jurisdiction for any reason, it will make restitution in respect of those Portfolio Assets, will fully accept title to the Portfolio Assets on the basis of the title interest which the Trustee may have in the same and, if that interest is disputed or challenged, will fully indemnify the Trustee for the purpose of redemption in full or in part, as the case may be, of the relevant Series of Certificates and, accordingly, the amount payable under such indemnity will equal the relevant Exercise Price (see "*Summary of the Principal Transaction Documents—Purchase Undertaking*"). These obligations are also guaranteed by the Guarantor pursuant to the Guarantee.

Majid Al Futtaim Properties has agreed under the terms of the Purchase Undertaking to submit to the exclusive jurisdiction of the Dubai International Financial Centre Courts (the "**DIFC Courts**") in respect of any dispute, claim, difference or controversy arising out of or in connection with the Purchase Undertaking, subject to the right of the Trustee (or the Delegate on behalf of the Certificateholders) to elect to bring proceedings in any other court or courts of competent jurisdiction. Dubai Law No. 16 of 2011 on Amending Some Provisions of Law No. 12 of 2004 Concerning the Dubai International Financial Centre Courts ("**Law No. 16 of 2011**") came into force in the Emirate of Dubai on 31 October

2011 and extended the jurisdiction of the DIFC Courts to include all civil and commercial disputes where the parties to the relevant dispute have expressly agreed to submit to the jurisdiction of the DIFC Courts, even where such parties are unconnected to the DIFC. None of Majid Al Futtaim Properties, the Trustee or the Delegate are connected to the Dubai International Financial Centre (the "**DIFC**").

If, in respect of any Series, Majid Al Futtaim Properties fails to purchase the relevant Portfolio Assets in accordance with Clause 3.3 of the Purchase Undertaking, the Delegate (on behalf of the relevant Certificateholders) may, subject to the matters set out in Condition 15 and the terms of the Master Trust Deed, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking against Majid Al Futtaim Properties by commencing proceedings in the DIFC Courts. The DIFC Courts should respect the choice of English law as the governing law of the Purchase Undertaking.

Investors should note that there is a risk that the DIFC Courts may rule that the DIFC Courts are not the appropriate forum to resolve any dispute relating to Majid Al Futtaim Properties' obligation under Clause 3.3 of the Purchase Undertaking to purchase the relevant real estate-based Portfolio Assets situated outside the Dubai International Financial Centre, and that any dispute relating to such assets should be resolved by the courts where those assets are located. Whether the DIFC Courts would refuse to accept jurisdiction on this basis is unclear under Dubai law and, as far as each of the Trustee, Majid Al Futtaim Properties and the Guarantor are aware, no proceedings have yet been taken in the DIFC Courts to determine if they would take this approach.

However, any dispute relating to a failure by Majid Al Futtaim Properties to purchase the relevant Portfolio Assets is likely to arise in the context of a challenge by Majid Al Futtaim Properties (or by any administrator, liquidator or receiver of Majid Al Futtaim Properties) of the validity of the Purchase Undertaking on the basis that the Trustee does not hold a valid interest in the relevant real estate-based Portfolio Assets purported to be purchased under Clause 3.3 of the Purchase Undertaking. This argument is likely to be based on the failure to register with the Dubai Lands Department (or any equivalent department or authority which is responsible for such registration at the applicable time) the initial sale and transfer of those Portfolio Assets under the relevant Supplemental Purchase Contract. As described above, if Majid Al Futtaim Properties (or any administrator, liquidator or receiver of Majid Al Futtaim Properties) disputes or challenges the rights, benefits and entitlements of the Trustee to any of the Portfolio Assets in this way, Majid Al Futtaim Properties has agreed in Clause 2.2(c) of the Purchase Undertaking to indemnify the Trustee for the purpose of redemption in full (or in part, as the case may be) of the relevant Series in an amount equal to the relevant Exercise Price, and the Delegate (subject as set out above) would be able to bring proceedings in the DIFC Courts to enforce this obligation. In making a ruling with respect to Majid Al Futtaim Properties' obligation to indemnify the Trustee, the DIFC Courts should apply English law to that obligation. In applying English law, the DIFC Courts shall have the discretion to sever Majid Al Futtaim Properties' obligation to purchase the relevant real estate-based Portfolio Assets from the remaining provisions of the Purchase Undertaking, including the indemnity provision set out in Clause 2.2(c) and treat that indemnity provision as an independent and separately enforceable obligation of Majid Al Futtaim Properties and, therefore, are (subject to any valid defences raised by the obligor) likely to award a judgment in favour of the Delegate (on behalf of the relevant Certificateholders) in accordance with the terms of that indemnity.

Under Article 7 of Law No. 16 of 2011, any final and unappealable judgment, order or award made by the DIFC Courts in favour of the Delegate (on behalf of the relevant Certificateholders) must, upon application by the Delegate to the Dubai Court of Execution, be enforced against Majid Al Futtaim Properties by the Dubai Court of Execution without that court being able to reconsider the merits of the case.

Investors should note however that, as at the date of this Base Prospectus, Law No. 16 of 2011 remains untested and there is therefore no certainty as to how the DIFC Courts intend to exercise their jurisdiction under the new law should any party dispute the right of the DIFC Courts to hear a particular dispute where such parties are unconnected to the DIFC.

Risks Relating to the Certificates

The Certificates are limited recourse obligations

Certificates to be issued under the Programme are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the relevant Trust Assets. Recourse to the

Trustee in respect of each Series is limited to the Trust Assets of that Series and proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders of the relevant Series will be against Majid Al Futtaim Properties (failing which the Guarantor in accordance with the Guarantee) to perform their respective obligations under the Transaction Documents to which they are a party. Certificateholders will have no recourse to any assets of the Trustee, Majid Al Futtaim Properties or the Guarantor in respect of any shortfall in the expected amounts due under the relevant Trust Assets. Majid Al Futtaim Properties (failing which the Guarantor in accordance with the Guarantee) is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Delegate will have direct recourse against Majid Al Futtaim Properties (failing which the Guarantor in accordance with the Guarantee) to recover such payments due to the Trustee pursuant to the Transaction Documents to which it is a party. In the absence of default by the Delegate, investors have no direct recourse to Majid Al Futtaim Properties or the Guarantor and there is no assurance that the net proceeds of any enforcement action with respect to the Trust Assets (which, as described above, will be by way of enforcing each of Majid Al Futtaim Properties', the Guarantor's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the relevant Certificates. After enforcing the rights in respect of the Trust Assets of a Series (in the manner described above) and distributing the net proceeds of such Trust Assets in accordance with Condition 4.2, the obligations of the Trustee in respect of the Certificates of the relevant Series shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of such Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents. The sole right of the Trustee, the Delegate and the Certificateholders against Majid Al Futtaim Properties and the Guarantor shall be to enforce the obligation of each of Majid Al Futtaim Properties and the Guarantor to perform its obligations under the Transaction Documents to which it is a party.

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for the Certificates of any Series will develop or, if it does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of those 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 Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Certificates. Accordingly, the purchase of Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the relevant Certificates and the financial and other risks associated with an investment in the relevant Certificates. An investor in Certificates must be prepared to hold the relevant Certificates for an indefinite period of time or until their maturity. Applications have been made for the listing of certain Series to be issued under the Programme on the Irish Stock Exchange and/or on NASDAQ Dubai but there can be no assurance that any such listing will occur or will enhance the liquidity of the Certificates of the relevant Series.

The Certificates may be subject to early redemption

In the event that the amount payable on the Certificates of any Series is required to be increased to include additional amounts in certain circumstances and/or Majid Al Futtaim Properties and/or the Guarantor is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in the Cayman Islands or the UAE (as the case may be), or in each case any political subdivision or any authority thereof or therein having power to tax, the Trustee may redeem all but not some only of the Certificates upon giving notice in accordance with the Terms and Conditions of the relevant Certificates.

If so provided in the applicable Final Terms, a Series may be redeemed early at the option of the Trustee. Any such early redemption feature of any Certificate is likely to limit its market value. During any period when the Trustee may elect to redeem Certificates, the market value of those Certificates generally will not rise substantially above the dissolution amount payable. This also may be true prior to any redemption period. The Trustee may be expected to redeem Certificates when Majid Al Futtaim Properties' cost of financing is lower than the profit rate on the Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the

Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider re-investment risk in light of other investments available at that time.

Risk factors relating to enforcement

Investors may experience difficulties in enforcing arbitration awards and foreign judgments in Dubai

The payments under the Certificates are dependent upon Majid Al Futtaim Properties, failing which the Guarantor, making payments to the Trustee in the manner contemplated under the Transaction Documents. If Majid Al Futtaim Properties or the Guarantor fails to do so, it may be necessary to bring an action against Majid Al Futtaim Properties and the Guarantor (or either of them) to enforce their respective obligations and/or to claim damages, as appropriate, which may be costly and time consuming.

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

Under current Dubai law, the Dubai courts are unlikely to enforce an English court judgment without re-examining the merits of the claim and (save as described above under "*—Risks Relating to the Portfolio Assets—Transfers of the Portfolio Assets*") may not observe the choice by the parties of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the UAE, may not accord with the interpretation of an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE.

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

Each of the Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Master Murabaha Agreement, each Murabaha Contract, the Murabaha Agency Agreement, the Management Agreement, the Purchase Undertaking, the Sale Undertaking and the Certificates are governed by English law and the parties to such documents (other than in the case of the Purchase Undertaking) have agreed to refer any unresolved dispute in relation to such documents to arbitration under the Arbitration Rules of the LCIA in London, England.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. Any arbitration award rendered in London should therefore be enforceable in Dubai in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Dubai courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE. There have been limited instances where the UAE courts, most notably the Fujairah Court of First Instance and the Dubai Court of Cassation, have ratified or ordered the recognition and enforcement of foreign arbitration awards under the New York Convention. It should be noted that only the Dubai Court of Cassation was a final decision. The uncertainty regarding the interpretation and application of the New York Convention provisions by the courts is further reinforced by the lack of system of binding judicial precedent in the UAE and because of the independent existence of different Emirates within the UAE, some with their own court systems, whole rulings may have no more than persuasive force within other Emirates. There is therefore no guarantee that the Dubai courts will take the same approach in similar proceedings in the future. In practice, therefore, how the New York Convention provisions would be interpreted and applied by the Dubai courts, and whether the Dubai courts will enforce a foreign arbitration award in accordance with the New York Convention, remains largely untested.

There are limitations on the effectiveness of guarantees in the UAE

Under the laws of the UAE the obligation of a guarantor is incidental to the obligations of the principal debtor, and the obligations of a guarantor will only be valid to the extent of the continuing obligations of the principal debtor. The laws of the UAE do not contemplate a guarantee by way of indemnity of the obligations of the debtor by the guarantor and instead contemplate a guarantee by way of suretyship. Accordingly, it is not possible to state with any certainty whether a guarantor could be obliged by the Dubai courts to pay a greater sum than the debtor is obliged to pay or to perform an obligation that the debtor is not obligated to perform.

In order to enforce a guarantee under the laws of the UAE, the underlying obligation for which such guarantee has been granted may need to be proved before the Dubai courts. In addition, under the laws of the UAE:

(i) if the creditor fails to make a claim from a guarantor within six months of the date that the underlying guaranteed obligation became due, the guarantor may be released from its obligations under the guarantee; and

(ii) upon the insolvency of the underlying debtor, if a creditor fails to submit a claim to its estate, the creditor may not make a claim on the guarantor to the extent of any damages resulting from such failure.

Compliance with UAE bankruptcy law may affect each of Majid Al Futtaim Properties' and the Guarantor's ability to perform its obligations under the Transaction Documents to which it is a party

In the event of either Majid Al Futtaim Properties' or the Guarantor's insolvency, UAE bankruptcy law may adversely affect Majid Al Futtaim Properties' or the Guarantor's, as the case may be, ability to perform its obligations under the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates. There is little precedent to predict how claims by or on behalf of the Certificateholders and/or the Delegate would be resolved, and therefore there can be no assurance that Certificateholders will receive payment of their claims in full or at all in these circumstances.

A court may not grant an order for specific performance

In the event that either Majid Al Futtaim Properties or the Guarantor fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include (i) obtaining an order for specific performance of Majid Al Futtaim Properties' and/or the Guarantor's obligations, or (ii) a claim for damages.

There is no assurance that a court will provide an order for specific performance, as this is generally a matter for the discretion of the relevant court. The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors, including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of such breach. No assurance is provided on the level of damages which a court may award in the event of a failure by either Majid Al Futtaim Properties or the Guarantor to perform its obligations set out in the Transaction Documents to which it is a party.

Certain payments on the Certificates may be subject to U.S. withholding tax under FATCA

The United States has enacted rules, commonly referred to as "**FATCA**," that generally impose a new reporting and withholding regime with respect to certain payments made after 31 December 2018 by entities that are classified as financial institutions under FATCA. The United States has entered into intergovernmental agreements regarding the implementation of FATCA with the Cayman Islands and United Arab Emirates (the "**IGAs**"). Under the IGAs, as currently drafted, the Issuer does not expect payments made on or with respect to the Certificates to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Certificates in the future. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA. See also "*Taxation – Foreign Account Tax Compliance Act*" for further information on FATCA.

Change of law

The structure of each issue of Certificates under the Programme is governed by English law, Cayman Islands law, the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE, the laws of the DIFC and administrative practices in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to English, Cayman Islands, UAE or DIFC law or administrative practices in such jurisdiction after the date of this Base Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Trustee to make payments under the Certificates or of Majid Al Futtaim Properties or the Guarantor, as the case may be, to comply with their respective obligations under the Transaction Documents to which they are a party.

Additional risk factors

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.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Certificates of each Tranche will be represented on issue by a Global Certificate that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Certificate, investors will not be entitled to receive Certificates in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the ownership interests in Global Certificates. While the Certificates of any Tranche are represented by a Global Certificate, investors will be able to trade their ownership interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Certificates of any Tranche are represented by a Global Certificate, the Trustee will discharge its payment obligation under the Certificates by making payments through the relevant clearing systems. A holder of an ownership interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the relevant Certificates. The Trustee has no responsibility or liability for the records relating to, or payments made in respect of, ownership interests in any Global Certificate.

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

Sharia rules

A member of the Executive Committee of the Fatwa and Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC, the Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia, the Executive Shariah Committee of HSBC Saudi Arabia Limited and the Sharia Supervisory Committee of Standard Chartered Bank have confirmed that the Transaction Documents are, in their view, Sharia compliant. However, there can be no assurance that the Transaction Documents or any issue and trading of any Certificates will be deemed to be Sharia compliant by any other Sharia board or Sharia scholars. None of the Trustee, Majid Al Futtaim Properties, the Guarantor, the Delegate or the Dealers makes any representation as to the Sharia compliance of any Tranche and potential investors are reminded that, as with any Sharia views, differences in opinion are possible. Potential investors should obtain their own independent Sharia advice as to the compliance of the Transaction Documents and the issue and trading of any Tranche with Sharia principles.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties would be, if in dispute, either be the subject of arbitration (or, in the case of the Purchase Undertaking, court proceedings) under English law or court proceedings under the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE or England and Wales. In such circumstances, the arbitrator or judge, as the case may be, will first apply the relevant law of the Transaction Document rather than Sharia principles in determining the obligation of the parties.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Certificates. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms. The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

In relation to any issue of Certificates which have a denomination consisting of the minimum Specified Denomination (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Certificates may be traded in amounts in excess of such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Certificateholder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination would need to purchase an additional amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

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

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

Consents to variation of Transaction Documents and other matters

The Conditions of the Certificates 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 Master Trust Deed contains provisions permitting the Delegate from time to time and at any time without any consent or sanction of the Certificateholders to make any modification to the Master Trust Deed if, in the opinion of the Delegate, such modification (a) is of a formal, minor or technical nature, or (b) is made to correct a manifest error, or (c) is not materially prejudicial to the interests of the relevant Certificateholders and is other than in respect of a Reserved Matter (as defined in the Master Trust Deed).

Unless the Delegate otherwise agrees, any such modification shall as soon as practicable thereafter be notified to the relevant Certificateholders and shall in any event be binding upon the relevant Certificateholders.

European Monetary Union may cause Certificates denominated in certain currencies to be redenominated in euro

If Certificates are issued under the Programme which are denominated in the currency of a country which, at the time of issue, has not adopted the euro as its sole currency and, before the relevant Certificates are redeemed, the euro becomes the sole currency of that country, a number of consequences may follow including, but not limited to: (i) all amounts payable in respect of the relevant Certificates may become payable in euro, (ii) applicable law may allow or require such Certificates to be redenominated into euro and additional measures to be taken in respect of such Certificates and (iii) there may no longer be available published or displayed rates for deposits in such currency used to determine the rates of Periodic Distribution Amount on such Certificates. Any of these or any other consequences could adversely affect the holders of the relevant Certificates.

Exchange rate risks and exchange controls

The Trustee will make all payments on the Certificates and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. The Trustee does not have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency 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 as well as the availability of a specified foreign currency at the time of any payment of any Periodic Distribution Amount or Dissolution Amount on a Certificate. As a result, investors may receive less amounts under the Certificates than expected, or no such amounts. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Certificate may not be available at such Certificate's maturity.

Risk factors relating to taxation

Taxation risks on payments

Payments made by Majid Al Futtaim Properties and/or the Guarantor to the Trustee under the Transaction Documents or by the Trustee in respect of the Certificates could become subject to taxation. The Management Agreement requires the Services Agent, the Purchase Undertaking requires Majid Al Futtaim Properties, the Master Trust Deed requires the Guarantor and the Master Murabaha Agreement requires Majid Al Futtaim Properties to pay additional amounts in the event that any withholding or deduction is required by applicable law to be made in respect of payments made by it to the Trustee which are intended to fund Periodic Distribution Amounts and Dissolution Amounts. Condition 11 provides that the Trustee is required to pay additional amounts in respect of any such withholding or deduction imposed by Cayman Islands law in certain circumstances. In the event that the Trustee fails to pay any such additional amounts in respect of any such withholding or deduction on payments due in respect of the Certificates to Certificateholders, Majid Al Futtaim Properties (failing which the Guarantor in accordance with the Master Trust Deed) has 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 11 in respect of any withholding or deduction in respect of any tax as set out in that Condition.

DOCUMENTS INCORPORATED BY REFERENCE

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

1. the 2014 Group Financial Statements (an electronic copy of which is available at http://www.majidalfuttaim.com/media/14800/majid-al-futtaim-holding-consolidated-fs-2014.pdf);

2. the 2015 Group Financial Statements (an electronic copy of which is available at http://www.majidalfuttaim.com/media/15029/majid-al-futtaim-holding-consolidated-fs-2015.pdf);

3. the auditors' report and the audited consolidated financial statements of Majid Al Futtaim Properties for the year ended 31 December 2014 (an electronic copy of which is available at http://www.rns-pdf.londonstockexchange.com/rns/9771I_-2015-3-31.pdf);

4. the auditors' report and the audited consolidated financial statements of Majid Al Futtaim Properties for the financial year ended 31 December 2015 (an electronic copy of which is available at http://www.majidalfuttaim.com/media/15030/majid-al-futtaim-properties-consolidated-fs-2015.pdf);

5. the auditors' report and the audited financial statements of the Trustee for the financial year ended 31 December 2014 (an electronic copy of which is available at http://www.rns-pdf.londonstockexchange.com/rns/9775I_-2015-3-31.pdf);

6. the auditor's report and the audited financial statements of the Trustee for the financial year ended 31 December 2015 (an electronic copy of which is available at http://www.rns-pdf.londonstockexchange.com/rns/5779X_1-2016-5-8.pdf);

7. the Terms and Conditions of the Certificates contained on pages 61-88 (inclusive) in the Base Prospectus dated 6 January 2012 prepared by the Trustee in connection with the Programme (the "**2012 Terms and Conditions**") (an electronic copy of which is available at http://www.rns-pdf.londonstockexchange.com/rns/1501V_1-2012-1-6.pdf); and

8. the Terms and Conditions of the Certificates contained on pages 74-109 (inclusive) in the Base Prospectus dated 8 October 2015 prepared by the Trustee in connection with the Programme (the "**2015 Terms and Conditions**") (an electronic copy of which is available at http://www.ise.ie/debt_documents/Base%20Prospectus_f70ea2b7-4e02-4466-82bf-0563dee394e4.pdf).

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the specified offices of the Principal Paying Agent for the time being in London.

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

The parts of the above mentioned documents which are not incorporated by reference into this Base Prospectus are either not relevant for investors or covered elsewhere in this Base Prospectus.

Those parts of each of the 2014 Group Financial Statements, 2015 Group Financial Statements, Majid Al Futtaim Properties' audited financial statements for the financial years ended 31 December 2015 and 31 December 2014, the Trustee's audited financial statements for the financial years ended 31 December 2014 and 31 December 2015, the 2012 Terms and Conditions and the 2015 Terms and Conditions which are not specifically incorporated by reference in this Base Prospectus are either not relevant for the investor or are covered elsewhere in this Base Prospectus.

If at any time the Trustee shall be required to prepare a supplement to the Base Prospectus in accordance with Article 16(1) of the Prospectus Directive, the Trustee will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Certificates to be listed on the Irish Official List and admitted to trading on the Main Securities Market of the Irish Stock Exchange, shall constitute a supplemental base prospectus in accordance with Article 16(1) of the Prospectus Directive. Statements contained in any such supplement (or any statement contained in a document, all or a portion of which is deemed to be incorporated by reference herein), shall be deemed to be modified or superseded for the purposes of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

This Base Prospectus should be read and construed with any amendment or supplement hereto and with any other document incorporated by reference herein.

FORM OF THE CERTIFICATES

The Certificates of each Tranche will be in registered form. Certificates will be issued outside the United States to persons who are not U.S. persons in reliance on Regulation S.

Each Tranche will initially be represented by a global certificate in registered form (a "**Global Certificate**"). Global Certificates will be deposited with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and will be registered in the name of a nominee for the common depositary. Persons holding ownership interests in Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Certificates in fully registered form.

Payments of any amount in respect of each Global Certificate will, in the absence of any provision to the contrary, be made to the person shown on the relevant Register (as defined in Condition 1.2) as the registered holder of the relevant Global Certificate. None of the Trustee, the Delegate, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payment of any amounts in respect of Certificates in definitive form will, in the absence of any provision to the contrary, be made to the persons shown on the relevant Register on the relevant Record Date (as defined in Condition 8.1) immediately preceding the due date for payment in the manner provided in the Conditions.

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Certificates only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 17 if an Exchange Event occurs. For these purposes, "**Exchange Event**" means that (i) a Dissolution Event (as defined in Condition 14) has occurred and is continuing, or (ii) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available. In the event of the occurrence of an Exchange Event, any of the Trustee or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange.

In such circumstances, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Trustee will, at the cost of the Trustee (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar within 15 days following the request for exchange for completion and dispatch to the relevant Certificateholders. A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Trustee and the Registrar may require to complete, execute and deliver such Definitive Certificates.

General

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Certificates in which regard any certificate or other document issued by

Euroclear or Clearstream, Luxembourg as to the face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes (save in the case of manifest error) shall be treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates for all purposes other than with respect to any payment on such face amount of such Certificates, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly.

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

FORM OF FINAL TERMS

Date: [•]

MAF Sukuk Ltd.

Issue of [•] [•]
under the
U.S.$1,500,000,000
Trust Certificate Issuance Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 31 May 2016 (the "**Base Prospectus**") [and the base prospectus supplement dated [•]] [which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended (the "**Prospectus Directive**")]. [This document constitutes the applicable Final Terms of the Certificates described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Trustee, Majid Al Futtaim Properties LLC and Majid Al Futtaim Holding LLC and the offer of the Certificates is only available on the basis of a combination of these applicable Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the base prospectus supplement] [is/are] available for viewing in accordance with Article 14 of the Prospectus Directive on the Irish Stock Exchange's website at *http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/?action=SEARCH&search_word*, the website of NASDAQ Dubai at *http://www.nasdaqdubai.com* and during normal business hours at the registered office of the Trustee at P.O. Box 1093, Queensgate House, George Town, Grand Cayman, KY1-1102, Cayman Islands and copies may be obtained from the registered office of the Principal Paying Agent at [*Address of Principal Paying Agent*].

[Terms used herein shall be deemed to be defined as such for the purposes of, and shall be read in conjunction with, the 2012 Conditions (the "**2012 Conditions**") contained in the Agency Agreement dated 6 January 2012 and set forth in the base prospectus dated 6 January 2012 and the 2015 Conditions (the "**2015 Conditions**") contained in the Agency Agreement dated 8 October 2015 and set forth in the base prospectus dated 8 October 2015 which are incorporated by reference into the base prospectus dated 31 May 2016 (the "**Base Prospectus**"). This document [constitutes the applicable Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended (the Prospectus Directive) and] must be read in conjunction with the Base Prospectus [and the base prospectus supplement dated [•]] [which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions]. Full information on the Trustee, Majid Al Futtaim Properties, the Guarantor and the offer of the Certificates is only available on the basis of the combination of these Final Terms [and] the Base Prospectus [, and the base prospectus supplement dated [•]]. Copies of such Base Prospectuses are available for viewing in accordance with Article 14 of the Prospectus Directive on the Irish Stock Exchange's website at *http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/?action=SEARCH&search_word,* the website of NASDAQ Dubai at *http://www.nasdaqdubai.com* and during normal business hours at the registered office of the Trustee at c/o Maples FS Limited, PO Box 1093, Queensgate House, George Town, Grand Cayman, KY1-1102, Cayman Islands and copies may be obtained from the registered office of the Principal Paying Agent at [*Address of the Principal Paying Agent*].][*All references to the Prospectus Directive should be removed if an issuance is not Prospectus Directive compliant*.]

1.	Issuer and Trustee:		MAF Sukuk Ltd.
2.	(a)	Services Agent:	Majid Al Futtaim Properties LLC ("**Majid Al Futtaim Properties**")
	(b)	Guarantor:	Majid Al Futtaim Holding LLC
3.	[(a)]	Series Number:	[•]
	[(b)]	[Tranche:]	[•]
	[(c)]	[Date on which the Certificates	

	become fungible:]	[•]
4.	Specified Currency:	[•]
5.	Aggregate Face Amount:	
	(a) Series:	[•]
	(b) Tranche:	[•]
6.	Issue Price:	[•] per cent. of the Aggregate Face Amount
7.	(a) Specified Denominations:	[•]
	(b) Calculation Amount:	[•]
8.	(a) Issue Date:	[•]
	(b) Return Accrual Commencement Date:	[•] [Issue Date]
9.	Scheduled Dissolution Date:	[•]
10.	Periodic Distribution Amount Basis:	[[•] per cent. Fixed Periodic Distribution Amount] [[•] +/- [•] per cent. Floating Periodic Distribution Amount] (*further particulars specified below*)
11.	Dissolution Basis:	Dissolution at par
12.	Change of Periodic Distribution Basis:	[•] [Not Applicable]
13.	Put/Call Options:	[Not Applicable] [Certificateholder Put Option] [Change of Control Put Option] [Optional Dissolution (Call)] [(*further particulars specified below*)]
14.	Date of Trustee Board approval for issuance of Trust Certificates obtained:	[•]

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE

15.	Fixed Periodic Distribution Provisions:	[Applicable/Not Applicable]
	(a) Rate[s]:	[•] per cent. per annum [payable [annually]/[semi-annually]/[quarterly]/[monthly]/[in arrear]
	(b) Periodic Distribution Date(s):	[[•] in each year up to and including the Scheduled Dissolution Date] / [•]
	(c) Fixed Amount(s):	[•] per Calculation Amount
	(d) Broken Amount(s):	[•] per Calculation Amount
	(e) Day Count Fraction:	[30/360 or Actual/Actual (ICMA)]
	(f) Determination Date(s):	[•] in each year
16.	Floating Periodic Distribution Provisions:	[Applicable/Not Applicable]

	(a)	Specified Periodic Distribution Dates:	[•] [Not Applicable]
	(b)	Specified Period:	[•] [Not Applicable]
	(c)	Business Day Convention:	[Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]
	(d)	Additional Business Centre(s):	[Not Applicable]/[•]
	(e)	Manner in which the Rate(s) is/are to be determined:	Screen Rate Determination (Condition 7.3) applies
	(f)	Screen Rate Determination:	[Applicable/Not Applicable]
		(i) Reference Rate:	[LIBOR] [EURIBOR], calculated in accordance with Condition 7.3
		(ii) Periodic Distribution Determination Date:	[•]
		(iii) Relevant Screen Page:	[•]
		(iv) Relevant Time:	[•]
	(g)	Linear Interpolation:	[Not Applicable/Applicable - the Rate for the [long/short] [first/last] Return Accumulation Period shall be calculated using Linear Interpolation]
	(h)	Margin:	[•]
	(i)	Day Count Fraction:	[•]
	(j)	Calculation Agent:	[•]
17.	Optional Dissolution (Call):		[Applicable/Not Applicable]
	(a)	Optional Dissolution Amount (Call):	[[•] per Calculation Amount]
	(b)	Optional Dissolution Date:	[Any Periodic Distribution Date] [•]
	(c)	Notice period (*if other than as set out in the Conditions*):	[•]
18.	Certificateholder Put Option:		[Applicable/Not Applicable]
	(a)	Optional Dissolution Amount (Certificateholder Put):	[[•] per Calculation Amount]
	(b)	Certificateholder Put Option Date(s):	[•]
	(c)	Notice period (*if other than as set out in the Conditions*):	[•]
19.	Change of Control Put Option:		[Applicable/Not Applicable]
	(a)	Change of Control Dissolution Amount:	[[•] per Calculation Amount]
20.	Final Dissolution Amount:		[[•] per Calculation Amount]

21.	Early Dissolution Amount (Tax):	[[•] per Calculation Amount]
22.	Dissolution Amount pursuant to Condition 14:	[•] per Calculation Amount] [•]

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

23.	Additional Financial Centre(s):		[•]
24.	Financial covenants:		
	(a)	Total Net Indebtedness to Total Equity Ratio:	[Does not exceed 1:1, as set out in clause 4.14(b) of the Master Trust Deed]/[Not Applicable]
	(b)	EBITDA to Net Finance Costs Ratio:	[Not less than 1.5:1, as set out in clause 4.14(b) of the Master Trust Deed]/[Not Applicable]
	(c)	Secured Assets to Total Assets Percentage:	[Not to exceed an amount equal to 49 per cent. of the Total Assets of the Group, as set out in clause 4.14(b) of the Master Trust Deed]/[Not Applicable]

PROVISIONS IN RESPECT OF THE TRUST ASSETS

25.	Wakala Portfolio on the Issue Date:		
	(a)	Tangible Asset Percentage:	[•] per cent.
	(b)	Murabaha Percentage:	[•] per cent.
			[Commodity Purchase Price under the relevant Murabaha Contract: [•] /Not Applicable]
26.	Initial Asset Portfolio on the Issue Date:		The Initial Asset Portfolio as scheduled to the Supplemental Purchase Contract specified below. Purchase Price in respect of Initial Asset Portfolio: [•]
27.			
	(a)	[Additional Exercise Price:]	[[•]/Not Applicable]
	(b)	[Commodity Purchase Price:]	[[•]/Not Applicable]
28.	Trust Assets:		Condition 4.1 applies
29.	Details of Transaction Account:		MAF Sukuk Ltd. Transaction Account No: [•] with [•] for Series No.: [•]
30.	Other Transaction Document Information:		
	(a)	[Supplemental Trust Deed:	Supplemental Trust Deed dated [•] between MAF Sukuk Ltd., Majid Al Futtaim Properties, the Guarantor and the Delegate]
	(b)	[Supplemental Purchase Contract:	Supplemental Purchase Contract dated [•] between MAF Sukuk Ltd. (as Purchaser) and Majid Al Futtaim Properties (as Seller)]
	(c)	[Supplemental Lease Contract:	Supplemental Lease Contract dated [•] between MAF Sukuk Ltd. (as Lessor) and Majid Al Futtaim Properties (as Lessee)]
	(d)	[Purchase Order and Letters of	Purchase Order dated [•] from Majid Al Futtaim Properties (as "**Buyer**") to MAF Sukuk Ltd. (as

	Offer and Acceptance:	"**Seller**"), Letter of Offer dated [•] from the Seller to the Buyer and Letter of Acceptance dated [•] from the Buyer to the Seller]
(e)	[Additional Sale Agreement:	Additional Sale Agreement dated [•] between MAF Sukuk Ltd. (as purchaser) and Majid Al Futtain Properties (as seller)]

[RESPONSIBILITY

[*Relevant third party information*] has been extracted from [*specify source*]. Each of MAF Sukuk Ltd., Majid Al Futtaim Holding LLC and Majid Al Futtaim Properties LLC confirms that such information has been accurately reproduced and that so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

SIGNED on behalf of

MAF SUKUK LTD.

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

SIGNED on behalf of

MAJID AL FUTTAIM HOLDING LLC:	**MAJID AL FUTTAIM PROPERTIES LLC:**
By: .... *Duly authorised*	By: .... *Duly authorised*
By: .... *Duly authorised*	By: .... *Duly authorised*

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing and admission to trading:	[Application [has been/is expected to be] made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on [*specify relevant market (for example, the Irish Stock Exchange's regulated market or NASDAQ Dubai and, if relevant, admission to an official list (for example, the Official List of the Irish Stock Exchange or the Official List maintained by the Dubai Financial Services Authority)*] with effect from [•].][*Note that NASDAQ Dubai is a non-regulated market for the purposes of the Prospectus Directive.*] [Not Applicable]
(ii)	Estimate of total expenses related to admission to trading:	[•] / [Not Applicable]

2. **RATINGS**

Ratings:

[S&P: [•]]
[Fitch: [•]]
[Other: [•]]

[The Certificates to be issued [[have been]/[are expected to be]] rated [•] by [•]/[are unrated].]

[[•] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

[[•] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended).]

[[•] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended). The ratings [[have been]/[are expected to be]] endorsed by [•] in accordance with Regulation (EC) No. 1060/2009 (as amended). [•] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

[[•] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended), but it is certified in accordance with such Regulation.]

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

[Save for any fees payable to the [Managers/Dealers], so far as each of the Trustee, Majid Al Futtaim Properties and the Guarantor is aware, no person involved in the issue of the Certificates has an interest material to the offer. The [Manager/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Trustee, Majid Al Futtaim Properties or the Guarantor or their affiliates in the ordinary course of business for which they may receive fees.]

4. **[PROFIT OR RETURN (*Fixed Periodic Distribution Certificates only*)**

Indication of profit or return: [•]]

5. **OPERATIONAL INFORMATION**

(i)	ISIN:	[•]
(ii)	Common Code:	[•]
(iii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable]/[•]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[•] / [Not Applicable]

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the Terms and Conditions of the Certificates which (subject to modification and except for the text in italics) will be endorsed on each Certificate in definitive form issued under the Programme and will apply to each Global Certificate.

The applicable Final Terms in relation to any Series may specify other terms and conditions which complete the following Terms and Conditions for the purpose of such Series.

MAF Sukuk Ltd. (in its capacities as issuer and trustee, the "**Trustee**") has established a programme (the "**Programme**") for the issuance of up to U.S.$1,500,000,000 in aggregate face amount of trust certificates. In these Terms and Conditions (the "**Conditions**"), references to "**Certificates**" shall be references to the trust certificates which are the subject of the "applicable Final Terms" and references to the applicable Final Terms are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Certificate.

Each of the Certificates will represent an undivided ownership interest in the Trust Assets (as defined in Condition 4.1) which are held by the Trustee on trust (the "**Trust**") for, *inter alia*, the benefit of the registered holders of the Certificates pursuant to (i) an amended and restated Master Trust Deed (the "**Master Trust Deed**") dated 31 May 2016 and made between the Trustee, Majid Al Futtaim Properties LLC ("**Majid Al Futtaim Properties**"), Majid Al Futtaim Holding LLC (the "**Guarantor**") and Citibank, N.A., London Branch (the "**Delegate**" which expression shall include any co-Delegate or any successor) and (ii) a supplemental trust deed (the "**Supplemental Trust Deed**" and, together with the Master Trust Deed, the "**Trust Deed**") having the details set out in the applicable Final Terms.

As used herein, "**Tranche**" means Certificates which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Certificates together with any further Tranche or Tranches of Certificates which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates and/or Issue Prices.

Payments relating to the Certificates will be made pursuant to an agency agreement dated 31 May 2016 (the "**Agency Agreement**") made between the Trustee, the Delegate, Majid Al Futtaim Properties, the Guarantor, Citibank, N.A. in its capacities as principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression shall include any successor and, together with any further or other paying agents appointed from time to time in accordance with the Agency Agreement, the "**Paying Agents**", which expression shall include any successors) and calculation agent (in such capacity, the "**Calculation Agent**", which expression shall include any successor) and Citigroup Global Markets Deutschland AG in its capacities as a registrar (in such capacity, the "**Registrar**", which expression shall include any successor) and as transfer agent (in such capacity and together with the Registrar, the "**Transfer Agents**", which expression shall include any successors). The Paying Agents, the Calculation Agent and the Transfer Agents are together referred to in these Conditions as the "**Agents**".

Words and expressions defined in the Trust Deed and the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any such document and the applicable Final Terms, the applicable Final Terms will prevail. In addition, in these Conditions:

(a) any reference to face amount shall be deemed to include the relevant Dissolution Amount (as defined in Condition 8.1), any additional amounts (other than relating to Periodic Distribution Amounts (as defined in Condition 6.2)) which may be payable under Condition 11, and any other amount in the nature of face amounts payable pursuant to these Conditions;

(b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 11 and any other amount in the nature of a profit distribution payable pursuant to these Conditions;

(c) references to Certificates being "outstanding" shall be construed in accordance with the Master Trust Deed; and

(d) any reference to a Transaction Document (as defined below) shall be construed as a reference to that Transaction Document as amended and/or supplemented from time to time.

Subject as set out below, copies of the documents set out below are available for inspection and obtainable free of charge by the Certificateholders during normal business hours at the specified office for the time being of the Principal Paying Agent. The holders of the Certificates (the "**Certificateholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the documents set out below:

(a) an amended and restated master purchase agreement between MAF Sukuk Ltd. (in its capacity as Trustee and in its capacity as purchaser, the "**Purchaser**") and Majid Al Futtaim Properties (in its capacity as seller, the "**Seller**") dated 31 May 2016 (the "**Master Purchase Agreement**");

(b) the supplemental purchase contract (the "**Supplemental Purchase Contract**" and, together with the Master Purchase Agreement, the "**Purchase Agreement**") having the details set out in the applicable Final Terms;

(c) an amended and restated master lease agreement between MAF Sukuk Ltd. (in its capacity as Trustee and in its capacity as lessor, the "**Lessor**") and Majid Al Futtaim Properties (in its capacity as lessee, the Lessee) dated 31 May 2016 (the "**Master Lease Agreement**"); **provided, however, that** a Supplemental Lease Contract (as defined below) has been entered into at any time in respect of the Certificates;

(d) any supplemental lease contract (the "**Supplemental Lease Contract**") relating to the Certificates between the Lessor and the Lessee, which, if executed on the Issue Date, will have the details set out in the applicable Final Terms;

(e) the amended and restated management agreement between the Trustee and Majid Al Futtaim Properties (in its capacity as services agent, the "**Services Agent**") dated 31 May 2016 (the "**Management Agreement**");

(f) the purchase undertaking made by Majid Al Futtaim Properties for the benefit of the Trustee and the Delegate dated 31 May 2016 (the "**Purchase Undertaking**");

(g) the amended and restated sale undertaking made by the Trustee for the benefit of Majid Al Futtaim Properties dated 31 May 2016 (the "**Sale Undertaking**");

(h) any additional sale agreement (the "**Additional Sale Agreement**") relating to the Certificates having the details set out in the applicable Final Terms;

(i) the master murabaha agreement between the Trustee in its capacity as seller (the "**Seller**") of certain commodities (to be specified in the Purchase Order and Letter of Offer (together with the Letter of Acceptance, the "**Murabaha Contract**") relating to each issuance of Certificates (if applicable), the forms of which are scheduled to such master murabaha agreement) and Majid Al Futtaim Properties in its capacity as buyer of such commodities (the "**Buyer**") dated 31 May 2016 (the "**Master Murabaha Agreement**");

(j) the murabaha agency agreement between the Trustee in its capacity as Seller and Citi Islamic Investment Bank E.C. as agent on behalf of the Seller dated 31 May 2016 (the "**Murabaha Agency Agreement**");

(k) any Murabaha Contract, having the details set out in the applicable Final Terms;

(l) the Trust Deed;

(m) the Agency Agreement; and

(n) the applicable Final Terms.

The documents listed above are referred to in these Conditions as the "**Transaction Documents**". The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct MAF Sukuk Ltd., on behalf of the Certificateholders, (i) to apply the sums paid by it in respect of its Certificates to the Purchaser in accordance with the Purchase Agreement and (ii) to enter into each Transaction Document to which it is a party, subject to the provisions of the Trust Deed and these Conditions.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Certificates are issued in registered form in the Specified Denominations and, in the case of Certificates in definitive form, are serially numbered.

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

In determining whether a particular person is entitled to a particular face amount of Certificates as aforesaid, the Delegate may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Each holder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the registered holder of the Global Certificate. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

1.2 Register

The Registrar will maintain a register (the "**Register**") of Certificateholders in respect of the Certificates in accordance with the provisions of the Agency Agreement. In the case of Certificates in definitive form, a definitive Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates.

1.3 Title

The Trustee, the Delegate, Majid Al Futtaim Properties, the Guarantor and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the person in whose name any outstanding Certificate is for the time being registered (as set out in the Register) as the holder of such Certificate or of a particular face amount of the Certificates for all purposes (whether or not such Certificate or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Trustee, the Delegate, Majid Al Futtaim Properties, the Guarantor and the Agents shall not be affected by any notice to the contrary.

All payments made to such registered holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for moneys payable in respect of such Certificate or face amount.

2. TRANSFERS OF CERTIFICATES

2.1 Transfers of interests in the Global Certificate

Transfers of interests in the Global Certificate will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. An interest in the Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Certificates in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

2.2 Transfers of Certificates in definitive form

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Certificate in definitive form may be transferred in whole or in part (in the Specified Denomination or an integral multiple thereof). In order to effect any such transfer (a) the holder or holders must (i) surrender the definitive Certificate for registration of the transfer thereof (or the relevant part thereof) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such regulations as MAF Sukuk Ltd., Majid Al Futtaim Properties, the Guarantor, the Delegate and the Registrar may from time to time prescribe (the initial such regulations being scheduled to the Master Trust Deed).

Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request a new Certificate in definitive form of a like aggregate face amount to the Certificate (or the relevant part of the Certificate) transferred. In the case of the transfer of part only of a Certificate in definitive form, a new Certificate in definitive form in respect of the balance of the Certificate not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

No Certificateholder may require the transfer of a Certificate in definitive form to be registered during the period of 15 days ending on a Periodic Distribution Date, the Scheduled Dissolution Date, a Dissolution Date or any other date on which any payment of the face amount or payment of any profit in respect of a Certificate falls due.

2.3 Costs of registration

Certificateholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Trustee may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. STATUS; GUARANTEE AND LIMITED RECOURSE

3.1 Status

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

3.2 **Guarantee**

The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed in favour of the Trustee (the Guarantee) the due and punctual payment of the Guaranteed Amounts. The proceeds received by or on behalf of the Trustee following a valid claim under the Guarantee shall be paid into the Transaction Account (as defined in Condition 4.1) for distribution to the Certificateholders in accordance with these Conditions. For this purpose, the "**Guaranteed Amounts**" means the amounts guaranteed by the Guarantor, being, in respect of each Series, (i) the Asset Portfolio Income Revenues (as defined in the Management Agreement) to be paid into the relevant Transaction Account by the Services Agent in accordance with the terms of the Management Agreement; (ii) any Total Loss Shortfall Amount; (iii) any Asset Portfolio Principal Revenues (as defined in the Management Agreement) payable by the Services Agent to the Trustee under Clause 6.5 of the Management Agreement; (iv) any Exercise Price payable under the Purchase Undertaking and the Sale Undertaking; (v) any amount payable by Majid Al Futtaim Properties under Clause 2.2(c) and Clause 4 of the Purchase Undertaking and (vi) all amounts payable by Majid Al Futtaim Properties by way of the Deferred Sale Price under the Master Purchase Agreement and the terms of the relevant Murabaha Contract.

3.3 **Limited Recourse**

The proceeds of the Trust Assets are the sole source of payments on the Certificates. Save as provided in the next sentence, the Certificates do not represent an interest in or obligation of any of the Trustee, Majid Al Futtaim Properties, the Guarantor, the Delegate, the Agents, the Trustee Administrator or any of their respective affiliates. Accordingly, Certificateholders, by subscribing for or acquiring the Certificates, acknowledge that they will have no recourse to any assets of the Trustee (including, in particular, other assets comprised in other trusts, if any), Majid Al Futtaim Properties (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party) or the Guarantor (to the extent that it fulfils all of its obligations under the Guarantee), or the Delegate, or the Agents, or the Trustee Administrator, or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished.

Majid Al Futtaim Properties is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders), and the Delegate will have direct recourse against Majid Al Futtaim Properties (failing which, against the Guarantor under the Guarantee) to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Certificates, subject to Condition 14, no holder of Certificates will have any claim against MAF Sukuk Ltd., Majid Al Futtaim Properties (to the extent that it fulfils all of its obligations under the Transaction Documents) or the Guarantor (to the extent that it fulfils all of its obligations under the Guarantee), or the Delegate, or the Agents, or the Trustee Administrator, or any of their respective affiliates or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of MAF Sukuk Ltd., Majid Al Futtaim Properties (to the extent that it fulfils all of its obligations under the Transaction Documents), the Guarantor (to the extent that it fulfils all of its obligations under the Guarantee), the Delegate, the Agents, the Trustee Administrator or any of their respective affiliates as a consequence of such shortfall or otherwise.

3.4 **Agreement of Certificateholders**

By purchasing Certificates, each Certificateholder is deemed to have agreed 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 or on behalf of MAF Sukuk Ltd. except to the extent funds are available therefor from the Trust Assets and further agrees that no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document to which it is a party, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon any Transaction Document, against MAF Sukuk Ltd. to the extent the Trust Assets have been exhausted following which all obligations of MAF Sukuk Ltd. shall be extinguished;

(b) prior to the date which is one year and one day after the date on which all amounts owing by MAF Sukuk Ltd. under the Transaction Documents have been paid in full, it will not institute against, or join with any other person in instituting against, MAF Sukuk Ltd. any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law; and

(c) 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 MAF Sukuk Ltd. arising under or in connection with these Conditions by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, director or corporate administrator of MAF Sukuk Ltd. in their capacity as such and any and all personal liability of every such shareholder, officer, director or corporate administrator in their capacity as such for any breaches by MAF Sukuk Ltd. of any such duty, obligation or undertaking is hereby expressly waived and excluded to the extent permitted by law.

4. THE TRUST

4.1 The Trust Assets

Commodity Murabaha Investment

On the Issue Date of each Tranche, pursuant to the terms of the Master Murabaha Agreement, the Trustee (in its capacity as "**Seller**") may apply the amount specified in the applicable Final Terms as the Commodity Purchase Price, being an amount that is (i) no more than 66 per cent. of the proceeds of the relevant Tranche (the "**Issue Proceeds**"); and (ii) equal to the face amount of the relevant Certificates less the Value of the Initial Asset Portfolio (in the case of the first Tranche of Certificates under a Series) or the Additional Portfolio Assets (in the case of each other Tranche of Certificates under a Series), in each case, as at the relevant Issue Date, to purchase commodities to be sold to Majid Al Futtaim Properties (in its capacity as "**Buyer**") on a deferred payment basis for an amount specified in a letter of offer (the "**Deferred Sale Price**") (the "**Commodity Murabaha Investment**"). The Seller shall agree and undertake that, on receipt of a purchase order from the Buyer, the Seller shall on such Issue Date, and on the terms set out in the purchase order, enter into purchase transactions no later than such Issue Date with a commodity supplier to purchase commodities (the "**Commodities**") at a certain cost price (the "**Commodity Purchase Price**"). Following the purchase of the Commodities by the Seller, and **provided that** the Seller has acquired title to, and actual or constructive possession of, the Commodities, the Seller shall deliver to the Buyer no later than the Issue Date a Letter of Offer indicating the Seller's acceptance of the terms of the purchase order made by the Buyer and detailing the terms of the offer for the sale of the Commodities to the Buyer from the Seller. Pursuant to the Master Murabaha Agreement, the Buyer will irrevocably undertake to accept the terms of the Letter of Offer by signing and delivering to the Seller a Letter of Acceptance in accordance with the Master Murabaha Agreement and (as a result of the Seller having acted on the request of the Buyer set out in the purchase order) purchase the Commodities acquired by the Seller for the Deferred Sale Price (to be paid in the currency and amounts and on the dates as specified in the relevant Letter of Offer).

As soon as the Buyer has signed and delivered the Letter of Acceptance, a "**Murabaha Contract**" shall be created between the Seller and the Buyer upon the terms of the Letter of Offer and the Letter of Acceptance and incorporating the terms and conditions set out in the Master Murabaha Agreement, and ownership of, and all risks in and to, the relevant Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto. The Buyer will thereafter be entitled to on-sell the Commodities directly to another commodity supplier.

The Deferred Sale Price will comprise the Commodity Purchase Price and a profit mark up being 1.00 per cent. of the relevant Commodity Purchase Price (and if applicable, will include any Commodity Taxes (as defined in the Master Murabaha Agreement)). The profit element of the Deferred Sale Price, together with the amount representing the Commodity Purchase Price, shall be payable upon maturity of the Murabaha Contract and will coincide with the redemption of the Certificates as set out under these Conditions.

Asset Portfolio

The Trustee shall:

(a) on the Issue Date of the first Tranche of a Series, apply the amount specified in the applicable Final Terms as the Purchase Price, being an amount equal to the relevant Issue Proceeds less the associated Commodity Purchase Price (if any), to purchase, pursuant to the Purchase Agreement, from the Seller a portfolio (the "**Initial Asset Portfolio**", and as may be substituted from time to time, the "**Asset Portfolio**") of certain assets (the "**Portfolio Assets**") specified in the Supplemental Purchase Contract and the Trustee will purchase the Initial Asset Portfolio, provided that the Value of the Initial Asset Portfolio as at the relevant Issue Date is no less than 34 per cent. of the face amount of the relevant Certificates; and

(b) on the Issue Date of each other Tranche of a Series, apply the amount specified in the applicable Final Terms as the Additional Exercise Price, being an amount equal to the relevant Issue Proceeds less the associated Commodity Purchase Price (if any), to purchase, pursuant to the Sale Undertaking and an Additional Sale Agreement, from Majid Al Futtaim Properties (as seller) certain additional assets (the "**Additional Portfolio Assets**"), provided that the Value of the Additional Portfolio Assets as at the relevant Issue Date is no less than 34 per cent. of the face amount of the relevant Certificates.

Any Additional Portfolio Assets will, on the relevant Issue Date: (i) be commingled with the Portfolio Assets, (ii) constitute Portfolio Assets for the purposes of that Series; and (iii) together with the other Portfolio Assets, constitute the Asset Portfolio of that Series.

If any Portfolio Asset is a Self-Use Asset (as defined in the Master Purchase Agreement), the Trustee (acting in its capacity as Lessor) will lease such assets to Majid Al Futtaim Properties (acting in its capacity as Lessee) pursuant to a Supplemental Lease Contract and, in respect of any Self-Use Asset that enters the Asset Portfolio after the date of the Supplemental Lease Contract, an addendum to the Supplemental Lease Contract. The Trustee has also entered into the Management Agreement with the Services Agent as services agent of the Wakala Portfolio (as defined below).

Majid Al Futtaim Properties has entered into the Purchase Undertaking in favour of the Trustee and the Delegate to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Asset Portfolio on the Scheduled Dissolution Date or, if earlier, on the due date for dissolution in accordance with Condition 14 at an amount which, together with the Deferred Sale Price payable under the Master Murabaha Agreement and the relevant Murabaha Contract, is intended to fund the payment of the Dissolution Amount specified in the applicable Final Terms. If Change of Control Put Option and/or Certificateholder Put Option is specified in the applicable Final Terms as being applicable, the Purchase Undertaking may also be exercised ahead of a Change of Control Put Option Date (as defined in Condition 10.4(d)) and/or a Certificateholder Put Option Date (as specified in the applicable Final Terms) to fund, together with the payment of the relevant proportion of the Deferred Sale Price, the relevant Certificates being redeemed under Condition 10.4 through the purchase by Majid Al Futtaim Properties of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Asset Portfolio (such proportion to comprise the "**Change of Control Portfolio Assets**" or "**Certificateholder Put Option Portfolio Assets**" (as the case may be)) for an exercise price equal to (a) the aggregate face amount of the Change of Control Certificates or Certificateholder Put Option Certificates (as the case may be), (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Change of Control Certificates or Certificateholder Put Option Certificates (as the case may be); (c) any other amounts payable in relation to the Certificates being redeemed on the exercise of the Change of Control Option or the Certificateholder Put Option as specified in any applicable Final Terms relating to a Series; and (d) only to the extent that the Change of Control Percentage or Certificateholder Put Option Percentage (as the case may be) is equal to 100 per cent. of the aggregate face amount of all of the Certificates then outstanding, the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility (as defined in the Management Agreement) and (ii) any Management Liabilities Amounts (as applicable) (less the relevant proportion of the aggregate of each Deferred Sale Price, being an amount equal to: (i) the aggregate of each outstanding Deferred Sale Price multiplied by (ii) the Change of Control Percentage or Certificateholder Put Option Percentage (as the case may be), **provided that** a Commodity Murabaha Investment forms part of the Wakala Portfolio of the relevant Series and such relevant proportion of the Deferred Sale Price has been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement and the relevant Murabaha Contract and is available for the redemption of the relevant Certificates).

Pursuant to the Sale Undertaking, subject to the Trustee being entitled to redeem the Certificates early pursuant to Condition 10.2, Majid Al Futtaim Properties may, by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 60 days prior to the Tax Dissolution Date (as defined in Condition 10.2), oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Asset Portfolio on the Tax Dissolution Date at the Early Dissolution Amount (Tax). If Optional Dissolution (Call) is specified in the applicable Final Terms as being applicable, Majid Al Futtaim Properties may, by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 60 days prior to the Optional Dissolution Date, oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Asset Portfolio on the Optional Dissolution Date. If, following a Change of Control Event (as defined in Condition 10.4(d), 75 per cent. or more of the Certificateholders exercise their option to require the Trustee to redeem their Certificates (where Change of Control Put Option is specified in the applicable Final Terms as being applicable), Majid Al Futtaim Properties may, by exercising its option under the Sale Undertaking, oblige the Trustee to sell all of its rights, title, interest, benefits and entitlements in, to and under the Asset Portfolio on the date specified for that purpose (which must be within 30 days of the Change of Control Put Option Date) at the Change of Control Dissolution Amount.

Following any purchase of Certificates by or on behalf of Majid Al Futtaim Properties, the Guarantor or any of their respective Subsidiaries (as defined in Condition 13) pursuant to Condition 13, and against the cancellation of such Certificates by the Principal Paying Agent, the Sale Undertaking may also be exercised in respect of the purchase by Majid Al Futtaim Properties of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Asset Portfolio (the "**Cancellation Portfolio Assets**") with an aggregate Value which is not greater than (a) the Asset Portfolio Value immediately prior to the transfer of the Cancellation Portfolio Assets, multiplied by (b) the Cancellation Percentage and, upon such cancellation, the Trustee will transfer those Cancellation Portfolio Assets to Majid Al Futtaim Properties. In such circumstances, the relevant *pro rata* proportion of each outstanding Deferred Sale Price shall also be cancelled in accordance with the terms of the Master Murabaha Agreement.

The Portfolio Assets comprised in the relevant Asset Portfolio, each Commodity Murabaha Investment (if applicable) and all other rights arising under or with respect to such Asset Portfolio and each Commodity Murabaha Investment (including the right to receive payment of each Deferred Sale Price and any other amounts or distributions due in connection with the Portfolio Assets) shall comprise a "**Wakala Portfolio**" in respect of the relevant Series. For the avoidance of doubt, the Wakala Portfolio for a Series may comprise solely Portfolio Assets, with the Issue Proceeds being exclusively applied towards the acquisition of such Portfolio Assets.

For the purposes of this Condition 4.1:

"**Asset Portfolio Value**" means the sum of means the sum of (a) the Value of each Portfolio Asset comprised in the Asset Portfolio and (b) any Asset Portfolio Principal Revenues held by the Services Agent at the relevant time;

"**Cancellation Percentage**" means the aggregate face amount of the Certificates of the relevant Series which have been purchased by or on behalf of Majid Al Futtaim Properties, the Guarantor or any of their respective Subsidiaries and are to be cancelled in accordance with Condition 13 divided by the aggregate face amount of all of the Certificates then outstanding expressed as a percentage, as determined on the day immediately prior to the cancellation of such Certificates;

"**Certificateholder Put Option Certificates**" means the aggregate face amount of Certificates specified as such in an Exercise Notice served pursuant to the terms of the Purchase Undertaking;

"**Certificateholder Put Option Percentage**" means the aggregate face amount of the Certificates of the relevant Series in respect of which Certificateholders have exercised their redemption option in respect of the relevant Certificateholder Put Option divided by the aggregate face amount of all of the Certificates then outstanding expressed as a percentage, as determined on the day immediately prior to the redemption of such Certificates;

"**Change of Control Certificates**" means the aggregate face amount of Certificates specified as such in an Exercise Notice served pursuant to the terms of the Purchase Undertaking;

"**Change of Control Percentage**" means the aggregate face amount of the Certificates of the relevant Series in respect of which Certificateholders have exercised their redemption option on the occurrence of the relevant Change of Control Event divided by the aggregate face amount of all of the Certificates then outstanding expressed as a percentage, as determined on the day immediately prior to the redemption of such Certificates;

"**Management Liabilities Amounts**" means, in relation to each Series, the amount of any actual claims, losses, costs and expenses properly incurred or suffered by the Services Agent or other payments made by the Services Agent on behalf of the Trustee, in each case in providing the Services during a Wakala Distribution Period, but does not include any amount due to the Services Agent (or any third party provider of a Liquidity Facility) under the Management Agreement in respect of any Liquidity Facility; and

"**Value**" means, (a) in respect of any Portfolio Asset, the amount in the Specified Currency (following conversion, if necessary, of any relevant amount(s) at the applicable spot Exchange Rate) determined by Majid Al Futtaim Properties as being equal to the value of that Portfolio Asset on the day on which it formed part of the relevant Wakala Portfolio which (x) (in the case of a Tangible Asset) will be determined on the basis of the market value, or where the relevant Tangible Asset is plant, equipment, machinery or other inventory, the book or replacement value, of each Tangible Asset and (y) (in the case of cash) its face amount; and (b) in respect of a Commodity Murabaha Investment, the outstanding amount of the Deferred Sale Price at the relevant time;

Pursuant to the Trust Deed, the Trustee holds the Trust Assets upon trust absolutely for the holders of the Certificates *pro rata* according to the face amount of Certificates held by each holder. Unless otherwise specified in the applicable Final Terms, the term "**Trust Assets**" means:

(a) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the assets from time to time constituting the Wakala Portfolio;

(b) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than (i) in relation to any representations given to the Trustee by Majid Al Futtaim Properties or the Guarantor pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (ii) the covenant given to the Trustee pursuant to Clause 14.1 of the Master Trust Deed); and

(c) all monies standing to the credit of the Transaction Account specified in the applicable Final Terms (the "**Transaction Account**") from time to time,

and all proceeds of the foregoing.

4.2 **Application of Proceeds from the Trust Assets**

On each Periodic Distribution Date and on the Scheduled Dissolution Date or any earlier Dissolution Date, the monies standing to the credit of the Transaction Account shall be applied in the following order of priority:

(a) *first*, to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate;

(b) *second*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;

(c) *third*, only if such payment is made on the Scheduled Dissolution Date or a Dissolution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the relevant Dissolution Amount or the amount payable on a Total Loss Event, as the case may be; and

(d) *fourth*, only if such payment is made on the Scheduled Dissolution Date or a Dissolution Date, to the Services Agent to retain as an Incentive Payment in accordance with the Management Agreement.

5. **COVENANTS**

The Trustee covenants that, for so long as any Certificate is outstanding, it will not (without the prior written consent of the Delegate):

(a) incur any indebtedness in respect of borrowed money whatsoever (whether structured in accordance with the principles of the Sharia 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) or any other certificates except, in all cases, as contemplated in the Transaction Documents;

(b) grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law);

(c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets except pursuant to the Transaction Documents;

(d) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;

(e) amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its memorandum and articles of association and by-laws;

(f) act as trustee in respect of any trust other than a trust corresponding to any other Series issued under the Programme;

(g) have any subsidiaries or employees;

(h) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders;

(i) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; and

(j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:

(i) as provided for or permitted in the Transaction Documents;

(ii) the ownership, management and disposal of Trust Assets as provided in the Transaction Documents; and

(iii) such other matters which are incidental thereto.

6. FIXED PERIODIC DISTRIBUTION PROVISIONS

6.1 Application

This Condition is applicable to the Certificates only if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

6.2 Periodic Distribution Amount

Subject to Condition 4.2 and Condition 8, the Principal Paying Agent shall distribute to holders *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account, a distribution in relation to the Certificates on each Periodic Distribution Date equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

In these Conditions:

"**Periodic Distribution Amount**" means, in relation to a Certificate and a Return Accumulation Period, the amount of profit distribution payable in respect of that Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with this Condition 6 or Condition 7; and

"**Return Accumulation Period**" means the period from (and including) a Periodic Distribution Date (or the Return Accrual Commencement Date) to (but excluding) the next (or first) Periodic Distribution Date.

6.3 Determination of Periodic Distribution Amount

The Periodic Distribution Amount payable in respect of each Certificate in definitive form for any Return Accumulation Period shall be the Fixed Amount or, if so specified in the applicable Final Terms, the Broken Amount so specified.

Except in the case of Certificates in definitive form where a Fixed Amount or Broken Amount is specified in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate shall be calculated by applying the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms (the "**Rate**") applicable to the relevant Return Accumulation Period to:

(a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or

(b) in the case of Certificates in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Certificate in definitive form is a multiple of the

Calculation Amount, the amount of profit distribution payable in respect of such Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of Periodic Distribution Amount in accordance with this Condition:

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

   (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accrual Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

   (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

      (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

      (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accrual Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Return Accrual Commencement Date or the final Periodic Distribution Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.4 **Cessation of Profit Entitlement**

No further amounts will be payable on any Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, unless default is made in the payment of the relevant Dissolution Amount, as a result of the failure of Majid Al Futtaim Properties to pay the relevant Exercise Price and enter into a sale agreement in accordance with the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be, and/or to pay the relevant Deferred Sale Price, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition, **provided that** no such amounts will continue to accrue in the case of a Total Loss Event (as defined in Condition 10.5).

7. FLOATING PERIODIC DISTRIBUTION PROVISIONS

7.1 Application

This Condition is applicable to the Certificates only if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

7.2 Periodic Distribution Amount

Subject to Condition 4.2 and 8, the Principal Paying Agent shall distribute to holders *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account, a distribution in relation to the Certificates on either:

(a) the Specified Periodic Distribution Date(s) in each year specified in the applicable Final Terms; or

(b) if no Specified Periodic Distribution Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Periodic Distribution Date, a "**Periodic Distribution Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Return Accrual Commencement Date.

In relation to each Periodic Distribution Date, the distribution payable will be equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which a Periodic Distribution Date should occur or (y) if any Periodic Distribution Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 7.2(b) above, the Floating Rate Convention, such Periodic Distribution Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Periodic Distribution Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Periodic Distribution Date occurred; or

(B) the Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In these Conditions:

"**Business Day**" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) or (ii) in relation to any sum payable in euro, a TARGET Settlement Day; and

"**TARGET Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open.

7.3 **Screen Rate Determination**

If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms (the "**Rate**") is to be determined, the Rate applicable to the Certificates for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

(a) if the Reference Rate specified in the applicable Final Terms is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;

(b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;

(c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

  (i) request each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Periodic Distribution Determination Date to prime banks in the London or Eurozone interbank market, as the case may be, in an amount that is representative for a single transaction in that market at that time; and

  (ii) determine the arithmetic mean of such quotations; and

(d) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks in the principal financial centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first day of the relevant Return Accumulation Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Return Accumulation Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate for such Return Accumulation Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Return Accumulation Period, the Rate applicable to the Certificates during such Return Accumulation Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Certificates in respect of a preceding Return Accumulation Period.

In this Condition the following expressions have the following meanings:

"**Reference Banks**" means the principal London office of each of four major banks engaged in the London or Eurozone inter-bank market selected by or on behalf of the Trustee, **provided that** once a Reference Bank has first been selected by or on behalf of the Trustee, such Reference Bank shall not be changed unless it ceases to be capable of acting as such;

"**Relevant Screen Page**" means the page, section or other part of a particular information service specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

7.4 **Cessation of Profit Entitlement**

No further amounts will be payable on any Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, unless default is made in the payment of the relevant Dissolution Amount, as a result of the failure of Majid Al Futtaim Properties to pay the relevant Exercise Price and enter into a sale agreement in accordance with the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be, and/or to pay the relevant Deferred Sale Price, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition, **provided that** no such amounts will continue to accrue in the case of a Total Loss Event (as defined in Condition 10.5).

7.5 **Calculation of Periodic Distribution Amount**

The Calculation Agent will, as soon as practicable after the time at which the Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Certificate for such Return Accumulation Period. The Periodic Distribution Amount will be calculated by applying the Rate applicable to the relevant Return Accumulation Period to:

(a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or

(b) in the case of Certificates in definitive form, the Calculation Amount;

and, in each case, multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). Where the Specified Denomination of a Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of a Periodic Distribution Amount in accordance with this Condition:

(a) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Return Accumulation Period falling in a nonleap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365;

(c) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;

(d) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 360;

(e) if "**30/360**" "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number is 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31, in which case D_2 will be 30;

(g) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless (i) that day is the last day of February but not the Scheduled Dissolution Date or (ii) such number would be 31, in which case D_2 will be 30.

7.6 **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of a Return Accumulation Period in the applicable Final Terms, the Periodic Distribution Amount for such Return Accumulation Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Return Accumulation Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Return Accumulation Period however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means the period of time designated in the Reference Rate.

7.7 **Publication**

The Calculation Agent will cause each Rate and Periodic Distribution Amount determined by it, together with the relevant Periodic Distribution Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Trustee, Majid Al Futtaim Properties, the Guarantor, the Delegate, the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the fourth day of the relevant Return Accumulation Period. Notice thereof shall also promptly be given to the Certificateholders. The Calculation Agent will be required to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Return Accumulation Period and any such recalculation will be notified to the Trustee, Majid Al Futtaim Properties, the Guarantor, the Delegate, the Paying Agents, the Certificateholders and each listing authority, stock exchange and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation as soon as practicable after such determination.

7.8 **Notifications, etc. to be final**

All communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition by the Calculation Agent will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Trustee, the Delegate, Majid Al Futtaim Properties, the Guarantor, the Agents and all Certificateholders and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

7.9 **Determination by the Delegate**

The Delegate may, if the Calculation Agent defaults at any time in its obligation to determine any Rate, Periodic Distribution Amount and/or Periodic Distribution Date in accordance with the above provisions, determine the relevant Rate, Periodic Distribution Amount and/or Periodic Distribution Date, the former at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and the Periodic Distribution Amount and the Periodic Distribution Date in the manner provided in this Condition and the determinations shall be deemed to be determinations by the Calculation Agent.

8. **PAYMENT**

8.1 **Payments in respect of the Certificates**

Subject to Condition 8.2, payment of any Dissolution Amount and any Periodic Distribution Amount will be made by transfer to the registered account of each Certificateholder or by cheque drawn on a bank that processes payments in the Specified Currency mailed to the registered address of the Certificateholder if it does not have a registered account. Payments of any Dissolution Amount will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Each Dissolution Amount and each Periodic Distribution Amount will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of this Condition:

(a) "**Dissolution Amount**" means, as appropriate, the Final Dissolution Amount, the Early Dissolution Amount (Tax), the Optional Dissolution Amount (Call), the Optional Dissolution Amount (Certificateholder Put), the Change of Control Dissolution Amount, the Dissolution Amount for the purposes of Condition 14 or such other amount in the nature of a redemption amount as may be determined by the parties pursuant to these Conditions (including any amount payable following a Total Loss Event);

(b) "**Payment Business Day**" means:

(i) in the case where presentation and surrender of a definitive Certificate is required before payment can be made, a day on which banks in the relevant place of surrender of the definitive Certificate are open for presentation and payment of securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account:

(A) if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(B) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre;

(c) a Certificateholder's "**registered account**" means the account maintained by or on behalf of such Certificateholder with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date;

(d) a Certificateholder's "**registered address**" means its address appearing on the Register at that time; and

(e) "**Record Date**" means (i) (where the Certificate is represented by a Global Certificate), at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the Periodic Distribution Date, Scheduled Dissolution Date or Dissolution Date, as the case may be; or (ii) (where the Certificate is in definitive form), in the case of the payment of a Periodic Distribution Amount, the date falling on the fifteenth day before the relevant Periodic Distribution Date and, in the case of the payment of a Dissolution Amount, the date falling two Payment Business Days before the Scheduled Dissolution Date or Dissolution Date, as the case may be.

8.2 **Payments subject to Applicable Laws**

Payments in respect of Certificates are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 11; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof, or any law implementing such an intergovernmental agreement. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

8.3 **Payment only on a Payment 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 Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed on the due date for payment or, in the case of a payment of any Dissolution Amount, if later, on the Payment Business Day on which the relevant definitive Certificate is surrendered at the specified office of a Paying Agent 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 Payment Business Day, if the relevant Certificateholder is late in surrendering its definitive Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

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

9. **AGENTS**

9.1 **Agents of Trustee**

In acting under the Agency Agreement and in connection with the Certificates, the Agents act solely as agents of the Trustee and (to the extent provided therein) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

9.2 **Specified Offices**

The names of the initial Agents and their initial specified offices are set out in the Agency Agreement. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents **provided, however, that**:

(a) there will at all times be a Principal Paying Agent;

(b) there will at all times be a Registrar;

(c) if a Calculation Agent (other than the Principal Paying Agent) has been specified in the applicable Final Terms, there will at all times be a Calculation Agent; and

(d) so long as any Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent, Registrar and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system.

Notice of any termination or appointment and of any changes in specified offices will be given to the Certificateholders promptly by the Trustee in accordance with Condition 17.

10. CAPITAL DISTRIBUTIONS OF THE TRUST

10.1 Scheduled Dissolution

Unless the Certificates are previously redeemed, or purchased and cancelled, in full, the Trustee will redeem each Certificate on the Scheduled Dissolution Date at the Final Dissolution Amount together with any Periodic Distribution Amounts payable. Upon payment in full of such amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

10.2 Early Dissolution for Tax Reasons

The Certificates may be redeemed by the Trustee in whole, but not in part:

(a) at any time (if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable); or

(b) on any Periodic Distribution Date (if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable),

(such date, the "**Tax Dissolution Date**") on giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 17 (which notice shall be irrevocable), at the Early Dissolution Amount (Tax) together with any accrued but unpaid Periodic Distribution Amount, if a Tax Event occurs where "**Tax Event**" means:

(a) the determination by Majid Al Futtaim Properties that (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 11 as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 11) 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 (2) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(b) the receipt by the Trustee of notice from Majid Al Futtaim Properties that (1) Majid Al Futtaim Properties has or will become obliged to pay additional amounts pursuant to the terms of any Transaction Document as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date and (2) such obligation cannot be avoided by Majid Al Futtaim Properties taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given unless an exercise notice has been received by the Trustee from Majid Al Futtaim Properties under the Sale Undertaking and no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which (in the case of (a) above) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Certificates were then due or (in the case of (b) above) Majid Al Futtaim Properties would be obliged to pay such additional amounts if a payment to the Trustee under the Management Agreement was then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Trustee shall deliver to the Delegate (i) a certificate signed by one director of the Trustee (in the case of (a) above) or two Authorised Signatories of Majid Al Futtaim Properties (in the case of (b) above) stating that the Trustee is entitled to effect such dissolution and redemption and setting forth a statement of facts showing that the conditions precedent in (a) or (b) above to the right of the Trustee so to dissolve have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Trustee or Majid Al Futtaim Properties, as the case may be, has or will become obliged to pay such additional amounts as a result of such change or amendment. The Delegate shall be entitled to accept (without further investigation) any such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Certificateholders. Upon the expiry of any such notice as is referred to in this Condition 10.2, the Trustee shall be bound to redeem the Certificates at the Early Dissolution Amount (Tax) together with any accrued but unpaid Periodic Distribution Amount and, upon payment in full of such amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee and the Trustee shall have no further obligations in respect thereof.

10.3 **Dissolution at the Option of the Trustee**

If Optional Dissolution (Call) is specified in the applicable Final Terms as being applicable, the Certificates may be redeemed in whole but not in part on any Optional Dissolution Date, which must be a Periodic Distribution Date if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms, at the relevant Optional Dissolution Amount (Call) together with any accrued but unpaid Periodic Distribution Amounts on the Trustee giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 17 (which notice shall be irrevocable and shall oblige the Trustee to redeem the Certificates on the relevant Optional Dissolution Date). Upon such redemption, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof; **provided, however, that** no such notice of redemption shall be given unless the Trustee has received an exercise notice from Majid Al Futtaim Properties under the Sale Undertaking.

10.4 **Dissolution at the option of the Certificateholders**

(a) If Certificateholder Put Option is specified in the applicable Final Terms as being applicable, upon the holder of any Certificate giving to the Trustee in accordance with Condition 17 not less than 15 nor more than 30 days' notice the Trustee will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Certificate on the Certificateholder Put Option Date and at the Optional Dissolution Amount (Certificateholder Put) together with any accrued but unpaid Periodic Distribution Amounts. Certificates may be redeemed under this Condition 10.4(a) in any multiple of their lowest Specified Denomination. It may be that before a Certificateholder Put Option can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

(b) If Change of Control Put Option is specified in the applicable Final Terms as being applicable and if a Change of Control Event occurs, the Trustee will, upon the holder of any Certificate giving notice within the Change of Control Put Period to the Trustee in accordance with Condition 17 (unless prior to the giving of the relevant Change of Control Notice (as defined below) the Trustee has given notice of redemption under Condition 10.2 or Condition 10.3), redeem such Certificate on the Change of Control Put Option Date at the Change of Control Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts.

Promptly upon the Trustee or the Guarantor becoming aware that a Change of Control Event has occurred, the Trustee shall give notice (a Change of Control Notice) to the Certificateholders in accordance with Condition 17 to that effect. The Guarantor has undertaken in the Master Trust Deed promptly to inform the Trustee upon becoming aware of the occurrence of a Change of Control Event.

If 75 per cent. or more in face amount of the Certificates then outstanding have been redeemed pursuant to this Condition 10.4(b), the Trustee may, on giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 17 (such notice to be given within 30 days of the Change of Control Put Option Date), redeem (the "**Change of Control Trustee Call Option**") all but not some only of the remaining outstanding Certificates at their Change of Control Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts and, upon payment in full of such amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof; **provided, however, that** no such notice of redemption shall be given unless the Trustee has received an exercise notice under the Sale Undertaking from Majid Al Futtaim Properties.

(c) To exercise the right to require redemption of this Certificate the holder of this Certificate must, if this Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Registrar at any time during normal business hours of the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of the Registrar (a Put Notice) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 10.4 and the face amount thereof to be redeemed and, if less than the full amount of the Certificates so surrendered is to be redeemed, an address to which a new Certificate in respect of the balance of such Certificate is to be sent subject to and in accordance with the provisions of Condition 2.2.

If this Certificate is represented by a Global Certificate or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Certificate the holder of this Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream and Luxembourg (which may include notice being given on such Certificateholder's instruction by Euroclear, Clearstream, Luxembourg or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream and Luxembourg from time to time and if this Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Certificate pursuant to this Condition 10.4 shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates to be redeemed pursuant to Condition 14, in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 10.4.

(d) For the purpose of these Conditions:

"**Change of Control Dissolution Amount**" shall mean, in relation to each Certificate to be redeemed pursuant to Condition 10.4(b), an amount equal to the face amount of such Certificate or such other amount as may be specified in the applicable Final Terms;

a "**Change of Control Event**" shall occur each time Majid Al Futtaim Capital LLC ceases to be the ultimate owner (either directly or indirectly) of more than 50 per cent. of the share capital of the Guarantor;

"**Change of Control Put Option Date**" shall be the tenth day after the expiry of the Change of Control Put Period **provided that**, if such day is not a day on which banks are open for general business in both London and the principal financial centre of the Specified Currency, the Change of Control Put Option Date shall be the next following day on which banks are open for general business in both London and the principal financial centre of the Specified Currency; and

"**Change of Control Put Period**" shall be the period of 30 days commencing on the date that a Change of Control Notice is given.

10.5 **Dissolution following a Total Loss Event**

Upon the occurrence of a Total Loss Event, the Certificates may be redeemed and the Trust dissolved on the dates specified by the Delegate. The Certificates will be redeemed using the proceeds of insurance payable in respect of the Total Loss Event, which are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event, and the payments made in respect all outstanding amounts of the Deferred Sale Price. Upon such redemption, the Trust will dissolve, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

A "**Total Loss Event**" is the total loss or destruction of, or damage to the whole of, the Tangible Assets (as defined in the Master Purchase Agreement) or any event or occurrence that renders the whole of the Tangible Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of the Tangible Assets) the repair or remedial work in respect thereof is wholly uneconomical.

*The Management Agreement provides that the Services Agent is required to insure the Tangible Assets against total loss in an amount equal to their full reinstatement value (which value will be a sum at least equal to the aggregate Value of each such Tangible Asset forming part of the Asset Portfolio) and further provides that if the obligations of the Services Agent thereunder are not strictly complied with and as a result any insurance amounts paid into the Transaction Account are less than the full reinstatement value of the Tangible Assets (the difference between the amount (if any) paid into the Transaction Account and such full reinstatement value being the "**Total Loss Shortfall Amount**"), the Services Agent (unless it proves beyond any doubt that any shortfall in the insurance proceedings is not attributable to its negligence or its failing to comply with the terms of the Management Agreement relating to insurance) has irrevocably and unconditionally undertaken to pay the Total Loss Shortfall Amount into the Transaction Account on the 31st day following the occurrence of the Total Loss Event. Upon the occurrence of a Total Loss Event, all of the Asset Portfolio Revenues credited to the Collection Accounts (each as defined in the Management Agreement) will immediately be paid by the Services Agent into the Transaction Account. The aggregate of such amounts and any insurance proceeds and/or Total Loss Shortfall Amount, together with all outstanding amounts of the Deferred Sale Price, are intended to be equal to the aggregate face amount of the Series together with all accrued and unpaid Periodic Distribution Amounts.*

10.6 **No other Dissolution**

The Trustee shall not be entitled to redeem the Certificates or dissolve the Trust, otherwise than as provided in this Condition, Condition 13 and Condition 14.

10.7 **Cancellations**

All Certificates which are redeemed, and all Certificates purchased by or on behalf of Majid Al Futtaim Properties, the Guarantor or any of their respective Subsidiaries and delivered by Majid Al Futtaim Properties to the Principal Paying Agent for cancellation, will forthwith be cancelled and accordingly such Certificates may not be held, reissued or resold.

10.8 **Dissolution Date**

In these Conditions, the expression "**Dissolution Date**" means, as the case may be, (a) following the occurrence of a Dissolution Event (as defined in Condition 14), the date on which the Certificates are redeemed in accordance with the provisions of Condition 14, (b) the date on which the Certificates are redeemed in accordance with the provisions of Condition 10.2 and Condition 10.5, (c) any Optional Dissolution Date, (d) any Certificateholder Put Option Date, (e) any Change of Control Put Option Date or (f) the date on which any Certificates are redeemed following the exercise of the Change of Control Trustee Call Option.

11. TAXATION

All payments 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, unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts so that the full amount which otherwise would have been due and payable under the Certificates is received by the parties entitled thereto, except that no such additional amount shall be payable in relation to any payment in respect of any Certificate:

(a) the holder of which is liable for such Taxes in respect of such Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of such Certificate; or

(b) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Business Day; or

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;

(d) presented for payment (where presentation is required) by or on behalf of a Certificateholder who would be able to avoid such withholding or deduction by presenting the relevant Certificate to another Paying Agent in a different Member State of the European Union; or

(e) for or on account of any withholding or deduction arising under or in connection with any agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof or any law in any jurisdiction implementing such an intergovernmental agreement.

As used in these Conditions:

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the principal financial centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which the full amount has been so received;

"**Relevant Jurisdiction**" means the Cayman Islands and the United Arab Emirates or any Emirate therein or, in either case, any political subdivision or authority thereof or therein having the power to tax; and

"**Taxes**" means any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction.

The Master Murabaha Agreement, the Purchase Undertaking, the Sale Undertaking and the Management Agreement provide that payments and transfers thereunder by Majid Al Futtaim Properties, and the Guarantee provides that payments thereunder by the Guarantor, shall be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment or transfer, as the case may be, by Majid Al Futtaim Properties and the Guarantor, respectively, of additional amounts so that the full amount which would otherwise have been due and payable or transferable, as the case may be, is received by the Trustee.

12. **PRESCRIPTION**

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within a period of 10 years (in the case of Dissolution Amounts) and a period of five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof, subject to the provisions of Condition 8.

13. **PURCHASE AND CANCELLATION OF CERTIFICATES**

13.1 **Purchases**

The Guarantor, Majid Al Futtaim Properties or any of their respective Subsidiaries may at any time purchase Certificates at any price in the open market or otherwise.

For the purposes of these Conditions, Subsidiary means in relation to any person (the first person), at any particular time, any person (the second person):

(a) which is then directly or indirectly controlled by the first person; or

(b) more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by the first person.

For the second person to be controlled by the first person means that the first person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that second person or otherwise controls, or has the power to control, the affairs and policies of the second person.

13.2 **Cancellation of Certificates held by the Guarantor, Majid Al Futtaim Properties and/or any of their Subsidiaries**

Following any purchase of Certificates by or on behalf of Majid Al Futtaim Properties, the Guarantor or any of their respective Subsidiaries pursuant to Condition 13.1, (i) the relevant proportion of the Deferred Sale Price (as determined under the Master Murabaha Agreement) may be cancelled and (ii) the Sale Undertaking may be exercised by Majid Al Futtaim Properties in respect of the transfer of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Asset Portfolio with an aggregate Value which is not greater than (a) the Asset Portfolio Value immediately prior to the transfer of the Cancellation Portfolio Assets, multiplied by (b) the Cancellation Percentage, against cancellation of such Certificates pursuant to Condition 10.7.

14. **DISSOLUTION EVENTS**

Upon the occurrence and continuation of any of the following events ("**Dissolution Events**"):

(a) default is made in the payment of any Dissolution Amount or any Periodic Distribution Amount on the due date for payment thereof and such default continues unremedied for a period of seven Business Days in the case of the Dissolution Amount and 14 Business Days in the case of any Periodic Distribution Amount; or

(b) the Trustee fails to perform or observe any of its other duties, obligations or undertakings under the Transaction Documents and (except in any case where, in the opinion of the Delegate, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following the service by the Delegate of a notice on the Trustee requiring the same to be remedied; or

(c) a Majid Al Futtaim Properties Event or a Guarantor Event (each as defined in the Master Trust Deed) occurs; or

(d) the Trustee repudiates the Trust Deed or does or causes to be done any act or thing evidencing an intention to repudiate the Trust Deed; or

(e) at any time it is or will become unlawful or impossible for the Trustee to perform or comply with any or all of its obligations under the Transaction Documents or any of the obligations of the Trustee under the Transaction Documents are not or cease to be legal, valid, and binding; or

(f) either (i) the Trustee becomes insolvent or is unable to pay its debts as they fall due or (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made) or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(g) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee; or

(h) any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraph (f) and (g) above,

the Delegate (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), if notified in writing of the occurrence of such Dissolution Event, shall give notice of the occurrence of such Dissolution Event to the holders of Certificates in accordance with Condition 17 with a request to such holders to indicate if they wish the Certificates to be redeemed and the Trust to be dissolved. If so requested in writing by the holders of at least one-fifth of the then aggregate face amount of the Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Certificates (each a "**Dissolution Request**"), the Delegate shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice of the Dissolution Request to the Trustee, Majid Al Futtaim Properties, the Guarantor and all the holders of the Certificates in accordance with Condition 17 whereupon the Certificates shall be immediately redeemed at the Dissolution Amount specified in the applicable Final Terms, together with any accrued but unpaid Periodic Distribution Amounts on the date of such notice. Upon payment in full of such amounts, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purpose of (a) above, amounts shall be considered due in respect of the Certificates (including any amounts calculated as being payable under Condition 6, Condition 7 and Condition 10) notwithstanding that the Trustee has, at the relevant time, insufficient funds or Trust Assets to pay such amounts.

15. ENFORCEMENT AND EXERCISE OF RIGHTS

15.1 Enforcement

Upon the occurrence of a Dissolution Event and the giving of notice of a Dissolution Request to the Trustee by the Delegate, to the extent that the amounts payable in respect of the Certificates have not been paid in full pursuant to Condition 14, subject to Condition 15.2 the Delegate shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), take one or more of the following steps:

(a) enforce the provisions of the Purchase Undertaking against Majid Al Futtaim Properties, the Management Agreement against the Services Agent, the Master Murabaha Agreement against the Buyer and/or the Guarantee against the Guarantor; and/or

(b) take such other steps as the Delegate may consider necessary in its absolute discretion to protect the interests of the Certificateholders.

Notwithstanding the foregoing but subject to Condition 15.2, the Delegate may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against or in relation to each of the Trustee and/or Majid Al Futtaim Properties and/or the Guarantor to enforce their respective obligations under the Transaction Documents, these Conditions and the Certificates.

15.2 **Delegate not obliged to take Action**

The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action against the Trustee, Majid Al Futtaim Properties and/or the Guarantor under any Transaction Document unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least one-fifth of the then aggregate face amount of the Certificates outstanding and in either 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 **provided that** the Delegate shall not be liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders.

15.3 **Direct Enforcement by Certificateholder**

No Certificateholder shall be entitled to proceed directly against the Trustee, Majid Al Futtaim Properties or the Guarantor or provide instructions (not otherwise permitted by the Trust Deed) to the Delegate to proceed against the Trustee and/or the Guarantor and/or Majid Al Futtaim Properties under any Transaction Document unless (a) the Delegate, having become bound to proceed pursuant to Condition 15.2, fails to do so within a reasonable period of becoming so bound and such failure is continuing and (b) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders who propose to proceed directly against any of the Trustee, Majid Al Futtaim Properties or the Guarantor as the case may be) holds at least one fifth of the then aggregate face amount of the Certificates outstanding. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than pursuant to the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee, Majid Al Futtaim Properties and the Guarantor shall be to enforce their respective obligations under the Transaction Documents.

15.4 **Limited Recourse**

The foregoing paragraphs in this Condition are subject to this paragraph. After enforcing or realising the Trust Assets and distributing the proceeds of the Trust Assets in accordance with Condition 4.2 and the Trust Deed, the obligations of the Trustee in respect of the Certificates shall be satisfied and no holder of the Certificates may take any further steps against the Trustee, the Delegate or any other person to recover any further sums in respect of the Certificates and the right to receive any sums unpaid shall be extinguished. In particular, no holder of the Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding-up of MAF Sukuk Ltd.

16. **REPLACEMENT OF DEFINITIVE CERTIFICATES**

Should any definitive Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar (and if the Certificates are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee, Majid Al Futtaim Properties, the Registrar, the Paying Agent or the Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17. **NOTICES**

All notices to Certificateholders will be valid if:

(a) published in a daily newspaper having general circulation in London (which is expected to be the Financial Times); or

(b) mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective registered addresses.

The Trustee shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation. Any notice shall be deemed to have been given on the day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

Until such time as any definitive Certificates are issued, there may, so long as any Global Certificate representing the Certificates is held on behalf of one or more clearing systems, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the relevant clearing systems for communication by them to the Certificateholders and, in addition, for so long as any Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Certificateholders on the day after the day on which the said notice was given to the relevant clearing systems.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same with the Principal Paying Agent. Whilst any of the Certificates are represented by a Global Certificate held on behalf of one or more clearing systems, such notice may be given by any holder of a Certificate to the Principal Paying Agent through the clearing system in which its interest in the Certificates is held in such manner as the Principal Paying Agent and the relevant clearing system may approve for this purpose.

18. **MEETINGS OF CERTIFICATEHOLDERS MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

18.1 The Master Trust Deed contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority in the outstanding face amount of the Certificates, or at any adjourned such meeting one or more persons present whatever the outstanding face amount of the Certificates held or represented by him or them, except that any meeting the business of which includes the modification of certain provisions of the Certificates (including modifying the Scheduled Dissolution Date, reducing or cancelling any amount payable in respect of the Certificates or altering the currency of payment of the Certificates, amending Condition 5 and certain covenants given by the Guarantor and Majid Al Futtaim Properties in the Transaction Documents or modifying the Guarantee in a way which is materially prejudicial to the interests of the Certificateholders), the quorum shall be one or more persons present holding or representing not less than two thirds in the outstanding face amount of the Certificates, or at any adjourned such meeting one or more persons present holding or representing not less than one third in the outstanding face amount of the Certificates. The expression "**Extraordinary Resolution**" is defined in the Master Trust Deed to mean either (i) a resolution passed at a meeting duly convened and held by a majority consisting of not less than three-fourths of the votes cast or (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in face amount of the Certificates.

18.2 The Delegate may agree, without the consent or sanction of the Certificateholders, to any modification (other than in respect of a Reserved Matter) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or an event which, with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event shall not be treated as such if, in the opinion of the Delegate, (a) such modification is of a formal, minor or technical nature, (b) such modification is made to correct a manifest error or (c) such modification, waiver, authorisation or determination is not, in the opinion of the Delegate, materially prejudicial to the interests of the Certificateholders. No such direction or request will affect a previous consent, waiver, authorisation or determination.

18.3 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Delegate shall have regard to the general interests of the Certificateholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof) and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Delegate or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.

18.4 Any modification, abrogation, waiver, authorisation or determination shall be binding on all the Certificateholders and shall be notified to the Certificateholders as soon as practicable thereafter in accordance with Condition 17.

19. INDEMNIFICATION AND LIABILITY OF THE DELEGATE AND THE TRUSTEE

19.1 The Trust Deed contains provisions for the indemnification of each of the Delegate and the Trustee in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction as well as provisions entitling the Delegate to be paid its costs and expenses in priority to the claims of the Certificateholders.

19.2 Neither the Delegate nor the Trustee makes any representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of either Majid Al Futtaim Properties under the Transaction Documents or the Guarantor under the Guarantee and shall not under any circumstances have any liability or be obliged to account to the Certificateholders in respect of any payments which should have been made by either Majid Al Futtaim Properties or the Guarantor but are not so made and shall not in any circumstances have any liability arising from or in relation to the Trust Assets other than as expressly provided in these Conditions or in the Trust Deed.

19.3 Each of the Trustee and the Delegate is exempted from (i) any liability in respect of any loss or theft of the Trust Assets or any cash, (ii) any obligation to insure the Trust Assets or any cash and (iii) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of wilful default by the Trustee or the Delegate, as the case may be.

19.4 The Trust Deed also contains provisions pursuant to which the Delegate is entitled, *inter alia*, (a) to enter into business transactions with Majid Al Futtaim Properties, the Guarantor and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to Majid Al Futtaim Properties, the Guarantor and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

20. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21. **GOVERNING LAW AND DISPUTE RESOLUTION**

21.1 The Trust Deed, the Certificates and these Conditions (including the remaining provisions of this Condition 21) and any non-contractual obligations arising out of or in connection with the Trust Deed, the Certificates and these Conditions are governed by, and shall be construed in accordance with, English law.

21.2 Subject to Condition 21.3, any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Trust Deed, the Certificates and these Conditions (including any dispute as to their existence, validity, interpretation, performance, breach or termination of the Trust Deed, the Certificates and these Conditions 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 under the LCIA Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition. For these purposes:

(a) the seat of arbitration shall be London;

(b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and

(c) the language of the arbitration shall be English.

21.3 Notwithstanding Condition 21.2 above the Delegate (or, but only where permitted to take action in accordance with the terms of the Trust Deed, any Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee:

(a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If such notice is given, the Dispute to which such notice refers shall be determined in accordance with Condition 21.4 and, subject as provided below, any arbitration commenced under Condition 21.2 in respect of that Dispute will be terminated. With the exception of the Delegate (whose costs will be borne by the Trustee, failing which Majid Al Futtaim Properties or the Guarantor), each of the parties to the terminated arbitration will bear its own costs in relation thereto.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Trustee must promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be functus officio. The termination is without prejudice to:

(a) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

(b) his entitlement to be paid his proper fees and disbursements; and

(c) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

21.4 In the event that a notice pursuant to Condition 21.3 is issued, the following provisions shall apply:

(a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and each of the Trustee, Majid Al Futtaim Properties and the Guarantor submits to the exclusive jurisdiction of such courts;

(b) each of the Trustee, Majid Al Futtaim Properties and the Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary;

(c) this Condition 21.4 is for the benefit of the Trustee, the Delegate and the Certificateholders only. As a result, and notwithstanding paragraph (a) above, the Trustee, the Delegate and any Certificateholder (where permitted so to do) may take proceedings relating to a Dispute (Proceedings) in any other courts with jurisdiction. To the extent allowed by law, the Trustee, the Delegate and the Certificateholders may take concurrent Proceedings in any number of jurisdictions.

21.5 In the Trust Deed, each of the Guarantor, Majid Al Futtaim Properties and the Trustee has appointed Maples and Calder at its registered office at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD, United Kingdom as its agent for service of process. Each of the Trustee, the Guarantor and Majid Al Futtaim Properties has undertaken that, in the event of Maples and Calder ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Delegate as its agent for service of process in England in respect of any Proceedings or Disputes. Nothing herein shall affect the right to serve proceedings in any matter permitted by law.

21.6 Under the Trust Deed, each of Majid Al Futtaim Properties and the Guarantor has agreed that, to the extent that it may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it will not claim and has irrevocably and unconditionally waived such immunity in relation to any Proceedings or Disputes. Further, each of Majid Al Futtaim Properties and the Guarantor has irrevocably and unconditionally consented to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Proceedings or Disputes.

21.7 Each of the Trustee, the Delegate, Majid Al Futtaim Properties and the Guarantor has agreed in the Trust Deed that, if any arbitration is commenced in relation to a Dispute and/or any Proceedings are brought by or on behalf of a party under the Trust Deed, it will:

(a) not claim interest under, or in connection with, such arbitration and/or Proceedings; and

(b) waive all and any entitlement it may have to interest awarded in its favour by any arbitrator as a result of such arbitration and/or by a court as a result of such Proceedings.

21.8 For the avoidance of doubt, nothing in Condition 21.7 shall be construed as a waiver of rights in respect of Periodic Distribution Amounts payable under the Certificates, the amount of any Asset Portfolio Revenues collected in accordance with the Management Agreement, the amount of any Deferred Sale Price payable pursuant to the Master Murabaha Agreement and the relevant Murabaha Contract, any other amounts payable under the Transaction Documents, or profit of any kind howsoever described payable pursuant to the Transaction Documents and/or the Conditions, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

22. FURTHER ISSUES

The Trustee shall be at liberty from time to time (including during a Return Accumulation Period) without the consent of the Certificateholders, to create and issue Additional Certificates having terms and conditions the same as the Certificates or the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and so that the same shall be a consolidated and form a single Series with the Certificates.

In connection with an issuance of Additional Certificates in accordance with this Condition 22:

(a) pursuant to the Sale Undertaking the Trustee grants to Majid Al Futtaim Properties the right to require the Trustee to purchase and accept the transfer of all of Majid Al Futtaim Properties' interests, rights, benefits and entitlements in, to and under the Additional Portfolio Assets from Majid Al Futtaim Properties in consideration for the payment by the Trustee to Majid Al Futtaim Properties of the Additional Exercise Price (as defined in the Sale Undertaking), provided that the Value of the Additional Portfolio Assets is no less than 34 per cent. of the face amount of the related Additional Certificates; and

(b) pursuant to the Master Murabaha Agreement the Trustee and Majid Al Futtaim Properties will enter into a Commodity Murabaha Investment in respect of a portion of the proceeds of the related issuance of Additional Certificates equal to the face amount of the Additional Certificates less the Value of the Additional Portfolio Assets.

The purchase of the Additional Portfolio Assets will become effective upon the Trustee and Majid Al Futtaim Properties entering into an Additional Sale Agreement in accordance with the terms of the Sale Undertaking. Pursuant to the terms of the Management Agreement, the Additional Portfolio Assets shall (i) be commingled with the Portfolio Assets of the relevant Series, (ii) constitute Portfolio Assets for the purposes of that Series; and (iii) together with the other Portfolio Assets, constitute the Asset Portfolio of that Series.

USE OF PROCEEDS

The net proceeds of each Tranche issued will be paid (i) by the Trustee (as Purchaser) to the Seller for the purchase from the Seller of all of its rights, title, interests, benefits and entitlements in, to and under the relevant Initial Asset Portfolio (in the case of the first Tranche of Certificates issued under a Series) or the relevant Additional Portfolio Assets (in the case of each subsequent Tranche of Certificates under a Series and (ii) if applicable, by the Trustee, acting on behalf of the Certificateholders, towards the purchase of the Commodities in connection with the relevant Commodity Murabaha Investment.

DESCRIPTION OF THE TRUSTEE

GENERAL

MAF Sukuk Ltd., a Cayman Islands exempted company with limited liability, was incorporated on 1 November 2011 under the Companies Law (2013 Revision) of the Cayman Islands with company registration number 263902. The Trustee has been established as a special purpose vehicle for the sole purpose of issuing Certificates under the Programme and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands and its telephone number is +1 345 945 7099.

The authorised share capital of the Trustee is U.S.$50,000 divided into 50,000 ordinary shares of U.S.$1.00 par value each, 250 of which have been issued. All of the issued shares (the "**Shares**") are fully-paid and are held by MaplesFS Limited as share trustee (the "**Share Trustee**") under the terms of a trust deed (the "**Share Trust Deed**") dated 4 January 2012 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Trust Deed). Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit Qualified Charities (as defined in the Share Trust Deed). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

BUSINESS OF THE TRUSTEE

The Trustee has, with the exception of its U.S.$400 million issuance of trust certificates under the Programme in February 2012, no prior operating history or prior business and will not have any substantial liabilities other than in connection with the Certificates to be issued under the Programme. The Certificates are the obligations of the Trustee alone and not the Share Trustee.

The objects for which the Trustee is established are set out in clause 3 of its Memorandum of Association as registered or adopted on 1 November 2011.

FINANCIAL STATEMENTS

The Trustee has prepared financial statements for the year ended 31 December 2014 and for the year ended 31 December 2015 which have been incorporated by reference into this document. The Trustee has not published (and is not required to publish under the laws of the Cayman Islands) any interim financial statements.

DIRECTORS OF THE TRUSTEE

The Directors of the Trustee are as follows:

Name:	**Principal Occupation outside of the Issuer:**
Andrew Millar	Regional Head of Fiduciary, Middle East of Maples Fund Services (Middle East) Limited
Cleveland Stewart	Senior Vice President of MaplesFS Limited

The business address of Andrew Millar is c/o Maples Fund Services (Middle East) Limited, Office 616, 6th Floor, Liberty House, Dubai International Financial Centre, PO Box 506734, Dubai, United Arab Emirates.

The business address of Cleveland Stewart is c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman KY1-1102, Cayman Islands.

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

THE ADMINISTRATOR

MaplesFS Limited also acts as the administrator of the Trustee (in such capacity, the "**Trustee Administrator**"). The office of the Trustee Administrator serves as the general business office of the Trustee. Through the office, and pursuant to the terms of the Corporate Services Agreement, the Trustee Administrator performs in the Cayman Islands, the United Arab Emirates and/or or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Trustee and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. The Trustee and the Trustee Administrator also entered into a registered office agreement (the "**Registered Office Agreement**") for the provision of registered office facilities to the Trustee. In consideration of the foregoing, the Trustee Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses. The terms of the Corporate Services Agreement and the Registered Office Agreement provide that either the Trustee or the Trustee Administrator may terminate such agreements upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Corporate Services Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party with a copy to any applicable rating agency.

The Trustee Administrator will be subject to the overview of the Trustee's Board of Directors.

The Trustee Administrator's principal office is P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands.

The Directors of the Trustee are all employees or officers of the Trustee Administrator or an affiliate thereof. The Trustee has no employees and is not expected to have any employees in the future.

SUMMARY OF GROUP FINANCIAL INFORMATION

The following summary of consolidated historical financial information as at and for the financial years ended 31 December 2015 and 2014 has been extracted from the Group Financial Statements, which have been incorporated by reference into this document. Certain reclassifications have been made in the 2015 Group Financial Statements and, as a result, these statements are not comparable in all respects to the 2014 Group Financial Statements. See *"Presentation of Financial and Other Information—Presentation of Group Financial Information"*.

Prospective investors should read the following summary consolidated financial information in conjunction with the information contained in "*Presentation of Financial and Other Information*", "*Risk Factors*", "*Group Financial Review*", "*Description of the Group*" and the Group Financial Statements (including the related notes thereto) appearing elsewhere in this document.

STATEMENT OF COMPREHENSIVE INCOME

The following table shows the Group's consolidated statements of comprehensive income for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December	
	2015	**2014**
	(AED millions)	
Revenue	27,343	25,261
Cost of sales	(18,434)	(17,170)
Operating expenses	(6,231)	(5,503)
Net valuation gain on land and buildings	1,121	767
Finance costs	(440)	(597)
Finance income	154	183
Other expenses - net	(52)	(130)
Impairment reversal/(loss) - net	14	(201)
Share of (loss)/profit in joint ventures & associate - net	(27)	59
Profit before tax	**3,448**	**2,669**
Income tax (charge) - net	(141)	(101)
Profit for the year	**3,307**	**2,568**
Profit for the year attributable to:		
Owners of the Group	3,279	2,549
Non-controlling interest	28	19
Profit for the year	**3,307**	**2,568**
Other comprehensive income		
Foreign currency translation differences from foreign operations	(168)	(29)
Net change in fair value of cash flow hedges transferred to profit or loss	45	47
Net gain on valuation of land and buildings	1,178	1,308
Deferred tax liability charged on revaluation of lands and buildings	(41)	(4)
Total other comprehensive income for the year	**1,014**	**1,322**
Total comprehensive income for the year	**4,321**	**3,890**
Attributable to:		
Owners of the Group	4,293	3,871
Non-controlling interest	28	19
Total comprehensive income for the year	**4,321**	**3,890**

STATEMENT OF FINANCIAL POSITION

The following table shows the Group's consolidated statement of financial position as at 31 December in each of 2015 and 2014, respectively.

	Year ended 31 December	
	2015	2014
	(AED millions)	
Tangible fixed assets		
Property, plant and equipment	11,410	23,526
Investment property	32,471	14,280
	43,881	37,806
Other non-current assets		
Investments	1,209	1,248
Long term receivable from related parties	121	80
Intangible assets	188	104
Deferred tax asset	43	32
Other non-current assets	414	478
Total non-current assets	**45,856**	**39,748**
Current assets		
Development property	—	798
Inventories	1,712	1,503
Trade and other receivables	1,861	1,384
Due from related parties	60	140
Cash in hand and at bank	1,394	1,050
	5,027	4,875
Current liabilities		
Short term loan from a related party	53	1
Trade and other payables	7,672	6,953
Due to related parties	37	37
Bank overdraft	—	35
Current maturity of long term loans	2,102	2,681
	9,864	9,707
Net current liabilities	**(4,837)**	**(4,832)**
Non-current liabilities		
Long term loans	8,484	6,333
Long term loan from a related party	—	7
Deferred tax liabilities	196	97
Other long-term liabilities and provisions	608	556
Total non-current liabilities	**9,288**	**6,993**
Net assets	**31,731**	**27,923**
Equity		
Share capital	2,487	2,487
Statutory reserve	2,046	1,729
Revaluation reserve	17,899	16,762
Other reserve	7,105	4,810
Total equity attributable to the owners of the Group	**29,537**	**25,788**
Hybrid equity instrument	1,826	1,826
Non-controlling interest	368	309
Total equity	**31,731**	**27,923**

CASH FLOW STATEMENT

The following table summarises the Group's cash flows for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December	
	2015	2014
	(AED millions)	
Cash inflow from operating activities	3,885	3,762
Cash (used in) investing activities	(4,199)	(3,644)
Cash flow from / (used in) financing activities	694	(292)
Net increase / (decrease) in cash and cash equivalents	**380**	**(174)**
Cash and cash equivalents at the beginning of the year	1,006	1,180
Cash and cash equivalents at end of the year	**1,386**	**1,006**

EBITDA

The following table shows the Group's EBITDA and certain ratios as at and for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December	
	2015	2014
EBITDA(1) (AED millions)	3,835	3,586
EBITDA margin(2) (per cent.)	14.0	14.2
EBITDA/interest(3) (times)	13.4	8.7
LTV(4) (per cent.)	20.9	21.2
Net debt/EBITDA(5) (times)	2.4	2.2
Debt/capital(6) (per cent.)	33.5	32.4

(1) Calculated as earnings before interest, tax, non-controlling interests, depreciation, amortization, impairment and other exceptional items of charges or credits that are one-off in nature and significance. Group excludes one-off exceptional items in order to focus on results excluding items affecting comparability from one period to the next.

(2) Calculated as EBITDA divided by total revenue.

(3) Calculated as EBITDA divided by net interest, which is calculated as interest costs (excluding capitalised interest costs) less interest earned.

(4) Calculated as net debt divided by tangible fixed assets. Net debt comprises long-term loans (including current maturity) and bank overdrafts less cash in hand and at bank.

(5) Calculated as net debt divided by EBITDA.

(6) Calculated as debt divided by capital. Debt comprises long-term loans (including current maturity), short-term loans and bank overdrafts. Capital is total shareholders' equity.

The following table shows a reconciliation of the Group's EBITDA to profit/(loss) as shown in the consolidated income statement for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December	
	2015	2014
	(AED millions)	
EBITDA	3,835	3,586
Depreciation	(1,086)	(1,056)
Amortisation of lease premiums and intangible assets	(29)	(26)
Share of (loss)/profit in joint ventures and associates	(27)	59
Net finance cost	(286)	(414)
Net valuation gains on land and buildings	1,121	767
Taxation	(141)	(101)
Project costs written off	(39)	(4)
Impairment reversal / (charge) - net	14	(201)
Gain on acquiring control of jointly controlled entities	43	—
Forex loss	(52)	(35)
Others	(46)	(7)
Profit for the year	**3,307**	**2,568**

GROUP FINANCIAL REVIEW

The following review of the Group's financial position and results of operations is based upon and should be read in conjunction with the Group Financial Statements which have been incorporated by reference into this document and which are available for inspection at the registered office of the Issuer and at the specified office of the Paying Agent for the time being in London (see *"General Information—Documents Available").* As a result of certain reclassifications made in 2015, adjustments have been made to the Group's statement of comprehensive income for the year ended 31 December 2014 and its statement of financial position as at 31 December 2014, in each case as included in the 2015 Group Financial Statements. As a result, these statements are not comparable in all respects to those in the 2014 Group Financial Statements.

This discussion contains forward-looking statements that involve risks and uncertainties, see "*Cautionary Statement Regarding Forward-Looking Statements*". Actual results for the Group could differ materially from those indicated in any forward-looking statements as a result of various factors, including those discussed below and in "*Risk Factors*".

OVERVIEW

The Group is one of the largest developers and operators of shopping malls and hypermarkets in the MENA region. Founded in Dubai in 1992 to bring the first regional shopping mall to the Middle East, the Group's activities have since grown to include hotel development and the provision of complementary leisure and entertainment products and services. The Group currently has operations in 13 countries predominantly in the MENA region.

The Group's operations are carried out by three complementary operating companies: Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures, in each of which Majid Al Futtaim Holding holds a 99 per cent. ownership interest:

- **Majid Al Futtaim Properties** develops and manages shopping malls, which is the Group's core business. Majid Al Futtaim Properties currently operates 15 shopping malls in the UAE, Egypt, Oman, Bahrain and Lebanon and is currently constructing or master planning an additional 11 malls, located in the UAE, the Kingdom of Saudi Arabia, the Sultanate of Oman and Egypt. Majid Al Futtaim Properties also develops hotels adjacent to or in close proximity to shopping mall destinations and, on a selective basis, undertakes mixed-use developments, in each case where this adds value to its core mall development business. Majid Al Futtaim Properties currently owns 12 hotels, of which 10 are located in the UAE and two are located in Bahrain with three additional hotels in Dubai under development. Majid Al Futtaim Properties operates through its four business units: Shopping Malls, Hotels, Communities and Project Management. For the year ended 31 December 2015, Majid Al Futtaim Properties' revenue increased by 6.06 per cent. to AED4,091 million compared to AED3,857 million for the year ended 31 December 2014, whereas EBITDA increased by 10.1 per cent. to AED2,607 million compared to AED2,369 million for the year ended 31 December 2014.

- **Majid Al Futtaim Retail** first introduced the hypermarket model to the Middle East in 1995 through Majid Al Futtaim Hypermarkets, originally established as a joint venture company with Carrefour in which Majid Al Futtaim Retail had a 75 per cent. interest. Since June 2013, Majid Al Futtaim Hypermarkets has been a wholly owned subsidiary of the Group, managed by Majid Al Futtaim Retail in which Majid Al Futtaim Retail has a 99.9 per cent. interest and Majid Al Futtaim Holding has a 0.1 per cent. interest. For further detail on the history of Majid Al Futtaim Hypermarkets please see *"Description of the Group—Majid Al Futtaim Retail"*. Carrefour stores are a key anchor tenant in each of the Group's shopping malls and the Group has also opened Carrefour stores outside its shopping malls. Majid Al Futtaim Retail has expanded the Carrefour concept across the UAE and into Bahrain, Egypt, Iraq, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Georgia Lebanon and Armenia. As at 31 December 2015, Majid Al Futtaim Retail operated 67 Carrefour hypermarkets, 80 Carrefour supermarkets and six convenience stores in 13 countries predominantly in the MENA region. For the year ended 31 December 2015, Majid Al Futtaim Retail's revenue increased by 7.27 per cent. to AED22,076 million compared to AED20,578 million for the year ended 31 December 2014, whereas EBITDA increased by 2.61 per cent. to AED1,178 million compared to AED1,148 million for the year ended 31 December 2014.

- **Majid Al Futtaim Ventures** operates the Group's leisure and entertainment services, including a unique leisure offering in each of its three super-regional shopping malls, for example Ski Dubai which is located in the Group's flagship shopping mall, Mall of the Emirates. Majid Al Futtaim Ventures also operates 22 Magic Planet entertainment centres located in 14 of the Group's shopping malls and elsewhere and 16 cinemas located in nine of the Group's shopping malls and elsewhere. Majid Al Futtaim Ventures also offers Najm Visa credit cards via its Majid Al Futtaim Finance consumer finance business, operates a fashion retail business operating as a licensee of a number of international brands and has a small portfolio of other investments in the food and beverages, mobile payments, healthcare and facilities management sectors. For the year ended 31 December 2015, Majid Al Futtaim Ventures' revenue increased by 33.9 per cent. to AED1,439 million compared to AED1,074 million for the year ended 31 December 2014, whereas EBITDA increased by 22.3 per cent. to AED186 million compared to AED152 million for the year ended 31 December 2014.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Group Financial Statements requires management to make certain estimates and judgments, some of which are subjective and complex, often as a result of the need to make estimations of future events. The Group's significant accounting policies are set out in note 3 to the 2015 Group Financial Statements and a summary of the critical accounting estimates and judgments that are made in preparing the consolidated financial statements is set out in note 4 to the 2015 Group Financial Statements.

RESULTS OF OPERATIONS FOR THE TWO YEARS ENDED 31 DECEMBER 2015 AND 2014

Revenue

The Group's principal source of revenue is the sales that it makes in its Carrefour stores. In addition, the Group earns rental income (principally from the tenants in its shopping malls), fees and commissions (from a range of sources), leisure and entertainment revenue (from its leisure and entertainment facilities, including its cinemas, Magic Planet entertainment centres and Ski Dubai among others), hospitality revenue (from its hotels) and fashion goods revenue (from its fashion outlets owned by Majid Al Futtaim Ventures).

The table below shows a breakdown of the Group's revenue for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December			
	2015		**2014**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Sale of goods	20,626	75.4	19,356	76.6
Rental income	2,837	10.4	2,601	10.3
Fees and commissions	1,627	6.0	1,385	5.5
Leisure and entertainment	1,212	4.4	931	3.7
Hospitality revenue	682	2.5	732	2.9
Others	359	1.3	256	1.0
Total revenue	**27,343**	**100.0**	**25,261**	**100.0**

The Group's total revenue increased by AED2,082 million, or 8.2 per cent., in 2015 (from AED25,261 million in 2014 to AED27,343 million in 2015). The majority of the increase resulted from a seven per cent. increase in revenue from the sale of goods. All other revenue sources, except for seven per cent. decrease in hospitality revenue, increased.

In geographical terms, in 2015, 53 per cent. of the Group's revenue was derived from the UAE, 11 per cent. was derived from Egypt, nine per cent. was derived from Saudi Arabia, 8 per cent. was derived from Qatar, 5 per cent. was derived from Oman and the remaining 14 per cent. was derived from other countries in the MENA region.

A more detailed analysis of the Group's three principal sources of revenue is set out below. Together, these revenue streams comprised 91.8 per cent. and 92.4 per cent. of the Group's total revenue in 2015 and 2014, respectively.

Sale of goods

The Group's revenue from the sale of goods increased by AED1,270 million, or 7 per cent., in 2015 (from AED19,356 million in 2014 to AED20,626 million in 2015). This principally reflected higher sales during 2015 as well as a 2 per cent. growth in like-for-like stores, particularly in the UAE, Saudi and Qatar.

Rental income

The Group's rental income increased by AED236 million, or 9 per cent., in 2015 (from AED2,601 million in 2014 to AED2,837 million in 2015). This principally reflected better performance of its comparable like-for-like assets mainly driven by Mall of the Emirates, Bahrain City Centre and Mirdiff City Centre (see "*Description of the Group—Majid Al Futtaim Properties—Shopping Malls Business Unit—Lease arrangements*" for detail on how rent is charged).

Fees and commissions

The Group earns fees and commissions from listing fees, which are fees paid by suppliers of new items in the Carrefour range, from fees paid by the producers of goods sold in the Group's Carrefour stores to display their goods on the prominent shelves at the end of aisles (known as gondola-ends) and from commissions paid to the Group in respect of sales where it acts as an agent in the transaction. Accordingly, the Group's fee and commission income is related to the number of its Carrefour stores.

The Group's fees and commissions increased by AED242 million, or 17 per cent., in 2015 as a result of the increase in the number of Carrefour stores (from AED1,385 million in 2014 to AED1,627 million in 2015).

Cost of sales

The Group's cost of sales almost entirely consists of the cost of it acquiring the goods sold by its Carrefour stores. Cost of sales is presented net of any rebates which the Group is able to secure from its suppliers. The Group's cost of sales increased by AED1,264 million, or 7 per cent., in 2015 (from AED17,170 million in 2014 to AED18,434 million in 2015). The Group's sales margin was 32.6 per cent. in 2015 which was in line with 2014.

Operating expenses

The table below shows the Group's operating expenses for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December			
	2015		**2014**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Staff costs	(2,595)	41.6	(2,299)	41.8
Rent	(493)	7.9	(381)	6.9
Depreciation	(1,086)	17.4	(1,056)	19.2
Amortisation	(29)	0.5	(26)	0.5
Legal and consultancy expenses	(148)	2.4	(156)	2.8
Selling and marketing expenses	(272)	4.4	(202)	3.7
Utilities	(341)	5.5	(318)	5.8
Repair and maintenance	(214)	3.4	(202)	3.7
Franchise and management fees	(152)	2.4	(157)	2.9
Security expenses	(111)	1.8	(104)	1.9
Bank charges	(139)	2.2	(120)	2.2
Other general and administrative expenses	(651)	10.4	(482)	8.8
Total operating expenses	**(6,231)**	**100.0**	**(5,503)**	**100.0**

The Group's principal operating expenses are staff costs and depreciation, which together comprised 59.1 per cent. and 61.0 per cent. of its total operating expenses in 2015 and 2014, respectively. Each of these items is analysed in more detail below.

The Group's total operating expenses increased by AED728 million, or 13.2 per cent., in 2015 (from AED5,503 million in 2014 to AED6,231 million in 2015). The principal contributors to this increase were increased staff costs, rent, utilities, selling and marketing expenses, and depreciation which, together, increased by AED531 million.

Staff costs

The Group's staff costs (which exclude staff costs capitalised as part of projects under construction) increased by AED296 million, or 13 per cent., in 2015 (from AED2,299 million in 2014 to AED2,595 million in 2015), principally reflecting increased employee numbers. The number of employees increased by 14 per cent. in 2015 from 26,663 at the start of the year to 30,371 at the end of 2015, although the majority of the new employees were employed in Majid Al Futtaim Retail's Carrefour stores and Majid Al Futtaim Ventures' leisure and entertainment venues at the lower end of the Group's salary scale.

Depreciation

The Group's depreciation charge increased by AED30 million, or 3 per cent., in 2015 (from AED1,056 million in 2014 to AED1,086 million in 2015).

Net valuation change on land and buildings

Developed properties classified as property, plant and equipment in accordance with IAS 16 are revalued on each reporting date.

Any increase arising on the revaluation of developed properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

Any decrease in carrying amount arising on the revaluation of developed properties is charged to profit or loss except to the extent that it reverses a revaluation gain previously recognised in reserve in respect of the asset concerned, in which case it is debited to the revaluation reserve in equity.

Investment properties are properties held either to earn rental income, for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Following initial recognition at cost, investment property, principally comprising land with undetermined use, certain shopping malls and properties being construed for future use as investment property, is stated at fair value at each reporting date.

The net valuation change on land and buildings comprises the sum of: (i) any losses incurred on the revaluation of developed properties classified as property, plant and equipment; (ii) any increases arising on the revaluation of developed properties classified as property, plant and equipment to the extent they reverse losses previously charged to profit and loss; and (iii) the fair value gains or losses on investment property.

In 2015, the Group recorded an AED1,178 million fair value gain on the revaluation of certain property, plant and equipment (principally Mall of Emirates and its adjacent hotels Kempinski and Sheraton) and a net fair value gain of AED1,121 million on its various properties, through profit or loss.

Net finance cost

The table below shows the Group's net finance cost recognised in profit or loss for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December	
	2015	2014
	(*AED millions*)	
Arrangement and participation fee	(34)	(70)

Interest charges (less capitalised interest)	(320)	(418)
Changes in the fair value/settlement of derivatives held as FVPL	(14)	(24)
Cash flow hedges reclassified from hedging reserve	(64)	(79)
Bond programme cost written off	(8)	(6)
Finance costs	**(440)**	**(597)**
Interest income	66	56
Cash flow hedges reclassified from equity - net	2	5
Changes in the fair value/settlement of derivatives held as FVPL	86	122
Finance income	**154**	**183**
Net finance costs	**(286)**	**(414)**

The Group's net finance cost charged to profit and loss decreased by AED128 million, or 31 per cent., in 2015 (from AED414 million in 2014 to AED286 million in 2015). This principally reflected the net effect of a reduction in hedging cost of approximately AED56 million (being AED2 million in 2015 compared to negative AED54 million in 2014). This was in line with the Group's strategy to shift the debt portfolio from fixed to floating (via) fair value hedges to benefit from declining interest rates.

Other expenses, net

The Group's other income and expenses comprise the net gain or loss made on the disposal of non-current assets, project costs written off, development expenses written off, any net foreign exchange gain or loss, a provision for other receivables and other income. The Group's other expenses, decreased by a net amount of AED78 million, or 60 per cent., in 2015 (from AED130 million in 2014 to AED52 million in 2015). The decrease is principally on account of a gain of AED43 million on the Group's acquisition of a controlling interest in entities based in Kuwait and Jordan.

Impairment losses, net

The Group believes that its policy for taking impairments is conservative. The Group recognised a net impairment reversal of AED14 million in 2015 and a net impairment charge of AED201 million in 2014. In 2015, the charge of AED93 million mainly represents impairment recognised against capital work in progress in respect of development properties, investment in joint venture and impairment loss on assets of certain retail and fashion stores. This impairment charge in 2015 has been offset by reversal of impairment of advances provided to a joint venture amounting to AED107 million. In 2014, the impairment charge of AED201 million was on account of impairment of project assets in Lebanon and certain retail assets.

Share of gain in joint ventures and associates, net

A list of the Group's joint ventures and associates is set out in note 37 to the 2015 Group Financial Statements. Joint ventures and associates are accounted for using the equity method and, as a result, the Group's proportionate share of the profit or loss made by each joint venture or associate is included under this line item.

The table below shows the Group's share of the profit or loss of its joint ventures and associates for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December	
	2015	**2014**
	(AED millions)	
Share of (loss)/profit of associates	(63)	1
Share of profit of joint ventures	36	58
Total	**(27)**	**59**

The Group's share of the net loss in joint ventures and associates was AED27 million in 2015 compared to net profit of AED59 million in 2014. The share of loss in associates was primarily on account of share of the Group's impairment of AED55 million recognised on an associate in the UAE.

Profit before tax

Reflecting the above factors, the Group's profit before tax was AED3,448 million in 2015 compared to a profit before tax of AED2,669 million in 2014.

Income tax

The Group is subject to tax on the income earned by it in certain of the jurisdictions in which it operates.

The Group's operations in these jurisdictions gave rise to an AED141 million net tax charge in 2015 compared to an AED101 million charge in 2014.

In 2015, a deferred tax charge of AED54 million was made compared to AED11 million in 2014.

Profit for the year

Reflecting the above factors, the Group's profit for the year was AED3,307 million in 2015 compared to AED2,568 million in 2014.

Other comprehensive income

In 2015, the Group's other comprehensive income was AED1,014 million compared to other comprehensive income of AED1,322 million in 2014. The principal factor affecting other comprehensive income is the valuation gain on land and buildings. In 2015, the Group's net fair value gain on land and buildings classified as property, plant and equipment was AED1,178 million compared to net fair valuation gain of AED1,308 million in 2014.

Total comprehensive income

Together with the Group's profit for each year, this resulted in total comprehensive income for the Group amounting to AED4,321 million in 2015 and total comprehensive income for the Group of AED3,890 million in 2014.

Segments

The Group has four reporting segments as follows:

- Properties: which principally corresponds to Majid Al Futtaim Properties and its consolidated companies;
- Retail: which principally corresponds to Majid Al Futtaim Retail and its consolidated companies;
- Ventures: which principally corresponds to Majid Al Futtaim Ventures and its consolidated companies; and
- Head Office: which principally corresponds to the activities carried out in Majid Al Futtaim Holding.

Note 5 to the 2015 Group Financial Statements presents certain financial information for each segment. In revenue terms, Retail is the most significant segment, accounting for 81 per cent. of Group revenue in 2015. In terms of profit before tax, all segments were profitable in 2015 and 2014. In terms of assets, Properties is the most significant segment, with 86 per cent. of Group assets at 31 December 2015.

CASH FLOWS FOR THE TWO YEARS ENDED 31 DECEMBER 2015

The table below summarises the Group's cash flows for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December	
	2015	**2014**
	(AED millions)	
Net cash from operating activities	3,885	3,762
Net cash used in investing activities	(4,199)	(3,644)
Net cash from/(used in) financing activities	694	(292)
Net increase/(decrease) in cash and cash equivalents	**380**	**(174)**
Cash and cash equivalents at start of year	1,006	1,180
Cash and cash equivalents at end of year	**1,386**	**1,006**

In 2015, the Group's net cash from operating activities was AED3,885 million. The Group's net cash used in investing activities in the same year was AED4,199 million, principally reflecting acquisition of property, plant and equipment, investment property and development property, which was AED4,210 million. Of this amount, AED2,826 million was invested in property, plant and equipment and AED1,582 million was spent on the construction of investment property partly offset by AED 198 million pertaining to non cash items. The capital expenditure was mostly relating to Mall of Egypt and expansion of Mall of the Emirates. The net cash from the financing activities in 2015 was AED694 million. Although the Group borrowed AED6,757 million in new long term debt in 2015, it also repaid AED5,152 million of such debt in 2015. In 2015, the Group paid interest of AED428 million, and also paid coupon payments on its hybrid equity instrument of AED131 million.

In 2014, the Group's net cash from operating activities was AED3,762 million. The Group's net cash used in investing activities in the same year was AED3,644 million, principally reflecting the cost of acquiring property, plant and equipment (including investment property and capital work in progress), which was AED3,819 million. Of this amount, AED1,715 million was invested in property, plant and equipment and AED1,703 million was spent on the construction of investment property mostly relating to Mall of Egypt. The net cash used by the Group in financing activities in 2014 was AED292 million. Although the Group borrowed AED7,344 million in new long term debt in 2014, it also repaid AED6,621 million of such debt in 2014. In 2014, the Group paid interest of AED552 million, and also paid coupon payments on its hybrid equity instrument of AED131million.

LIQUIDITY AND BORROWINGS

The Group's long-term financing needs are established based on five-year plans from each operating subsidiary. The Group targets available liquidity (defined as cash in hand and committed facilities available for drawing) sufficient to cover at least 18 months of financing requirements. As at 31 December 2015, the Group had undrawn facilities of AED8,642 million, cash in hand and at bank of AED1,394 million. This is sufficient to cover the Group's liquidity needs for a period of approximately two years. In addition, as a matter of practice, the Group ensures it is flexible in its capital expenditure plans.

The table below summarises the Group's borrowings as at 31 December in each of 2015 and 2014, respectively.

	Year ended 31 December	
	2015	**2014**
	(AED millions)	
Long-term loans	10,586	9,015
Less current portion	(2,102)	(2,681)
Total non current portion	8,484	6,334
Short term loan from a related party	53	1
Long term loan from a related party (non-interest bearing)	—	7
Bank overdrafts	—	35
Total borrowings	**10,639**	**9,058**

Details of the Group's 13 outstanding long term loans at 31 December 2015 are set out in note 19.2 to the 2015 Group Financial Statements. The loans have maturity dates extending to April 2026. The loans are denominated in U.A.E. dirhams, U.S. dollars, Egyptian pounds and Lebanese pounds (see *"—Financial Risk Management—Foreign Currency Risk*" below). The floating rate loans carry margins ranging from 1.2 per cent. to 3.5 per cent. per annum over the base lending rate, whilst fixed rates on loans range from 4.50 per cent. to 5.85 per cent. Certain of the loans (as identified in note 19 to the 2015 Group Financial Statements) are secured against assets of the Group or guaranteed by Majid Al Futtaim Properties. The principal amount outstanding of secured loans at 31 December 2015 was AED1,521 million.

The Group's borrowings comprise long term loans from commercial banks and overdraft facilities. The Group has to date incurred debt at three levels:

- project financing, typically through special purpose vehicles on a non-recourse or limited recourse to other Group companies basis;

- senior secured or unsecured debt where Majid Al Futtaim Properties or one of its subsidiaries is the borrower; and

- senior unsecured debt where Majid Al Futtaim Holding is the borrower and Majid Al Futtaim Properties guarantee is given.

The table below shows the Group's borrowings (excluding bank overdrafts) at 31 December 2015 by debtor:

	At 31 December 2015
	(AED millions)
Majid Al Futtaim Holding	
Unsecured but with Majid Al Futtaim Properties guarantee	5,774
Unsecured and unguaranteed	53
Total Majid Al Futtaim Holding	**5,827**
Majid Al Futtaim Properties	
Secured	—
Unsecured but with Majid Al Futtaim Holding guarantee	3,291
Unsecured and unguaranteed	—
Total Majid Al Futtaim Properties	**3,291**
Other	
Secured and/or guaranteed by banks[1]	1,521
Unsecured	—
Total other	**1,521**
Total borrowings (excluding bank overdrafts)[2]	**10,639**

(1) Borrowings by subsidiaries of Majid Al Futtaim Holding or Majid Al Futtaim Properties, in certain cases on a limited recourse basis to the borrower. Certain of these borrowings are also guaranteed by Majid Al Futtaim Holding or Majid Al Futtaim Properties.

(2) Unamortised bank arrangement fees of AED56 million have been deducted from total borrowings in the 2015 Group Financials Statements.

The Group typically aims to match the cash flow profile of its borrowings (excluding bank overdrafts) with the underlying assets to the extent practicable in the circumstances and to fund in local currencies for offshore businesses where possible.

The table below shows the maturity profile of the Group's outstanding borrowings (excluding bank overdrafts) as at 31 December 2015:

	At 31 December 2015
	(AED millions)
Principal amount of borrowings maturing in:	
2016	119
2017	1,595
2018	1,386
2019 onwards	7,539
Total borrowings (excluding bank overdrafts)	**10,639**

SHAREHOLDERS' EQUITY

The table below shows the Group's shareholders' equity as at 31 December in each of 2015 and 2014, respectively.

	Year ended 31 December	
	2015	2014
	(AED millions)	
Share capital	2,487	2,487
Statutory reserve	2,046	1,729
Revaluation reserve	17,899	16,762
Other reserves	7,105	4,810
Total equity attributable to the owners of the Group	**29,537**	**25,788**
Hybrid equity instrument	1,826	1,826
Non-controlling interest	368	309
Total equity	**31,731**	**27,923**

Share capital

Majid Al Futtaim Holding's share capital comprises 2,486,729 shares of AED1,000 each, all of which are fully paid and owned by Majid Al Futtaim Capital LLC which, in turn, is owned as to 99.6 per cent. by Mr Majid Al Futtaim, the founder of the Group.

Revaluation reserve

The revaluation reserve principally reflects changes in the fair value of land and buildings classified as property, plant and equipment as required by IAS 16.

Any increase in value arising on the revaluation of properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

Any decrease in carrying amount arising on the revaluation of properties is charged to profit or loss except to the extent that it reverses a revaluation gain previously recognised in reserve in respect of the asset concerned, in which case it is debited to the revaluation reserve in equity.

Other reserves

Group companies maintain a statutory reserve as required by applicable law. Typically a percentage of profit of the relevant company is transferred to the statutory reserve each year until the reserve equals the limit prescribed by applicable law. Under UAE law, a company is required to set aside ten per cent. of its net profit to maintain this statutory reserve until the reserve reaches half of the company's capital. In addition, the Group maintains fair value reserves in respect of hedging instruments as well as a currency translation reserve in respect of foreign currency differences arising from the translation of the financial statements of Group companies whose functional currency is other than the UAE dirham.

Related parties

The Group's related party transactions are described in note 17 to the 2015 Group Financial Statements and principally comprise transactions with other Group companies, Majid Al Futtaim Holding's parent company and its shareholders, companies under common control with Majid Al Futtaim Holding and key management personnel and/or their close family members.

OFF-BALANCE SHEET LIABILITIES

The Group has significant off-balance sheet liabilities in the form of capital commitments, letters of credit granted by banks in the normal course of business, forward contracts and guarantees given by Group companies. The table below shows the Group's off-balance sheet liabilities as at 31 December in each of 2015 and 2014, respectively.

	At 31 December	
	2015	2014
	(AED millions)	
Capital commitments	3,302	2,650
Group's share of capital commitments in relation to its equity accounted investees		754

	731	
Letters of credit	0.3	0.8
Bank Guarantees	97	191
Total	**4,130**	**3,596**

FINANCIAL RISK MANAGEMENT

Note 33 to the 2015 Group Financial Statements describes the principal financial risks faced by the Group and the principal procedures used by the Group to manage these risks. The principal financial risks faced by the Group are credit risk, liquidity risk and interest rate risk as further described below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables and net investment in finance leases. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The majority of the Group's income is by way of cash and advance receipts and is supported by a deposit equivalent to one month's advance rental. Credit evaluations are performed on all customers requiring credit over a certain amount and there is no concentration of credit risk. Cash is placed with a diversified portfolio of reputable banks and the risk of default is considered remote. Management has assessed the recoverability of its trade receivables as at the reporting date and considers them to be recoverable. Amounts due from related parties are considered by management to be fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk through the use of bank overdrafts, bank loans and credit facilities, see "*—Liquidity and Borrowings*".

Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The Group seeks to apply hedge accounting to manage volatility in its profit or loss in relation to its exposure to interest rate risk.

Foreign currency risk

The Group is exposed to foreign currency risk on its net investments in foreign subsidiaries and operations. The Group is also exposed to foreign currency risk on purchases denominated in foreign currencies.

The Group hedges the risk by obtaining foreign exchange forward contracts on all material foreign currency purchases. All of the forward exchange contracts have maturities of less than one year after the reporting date. Where necessary, foreign exchange contracts are rolled over at maturity.

Interest rate risk

Interest rate risk is managed within the framework of the interest rate risk management policy. In the past, the Group adopted a policy of maintaining target duration on its liability portfolio of about four years with a deviation of plus or minus one year. Since the Acquisition (see "*Description of the Group—Majid Al Futtaim Retail—Agreements with Carrefour")* and in view of its ownership of the entire Majid Al Futtaim Retail business, the policy has been updated to maintain target duration on its liability portfolio of about half a year to three years. This is achieved through cash and/or by using derivative financial instruments which are eligible for hedge accounting.

Capital management

The Group uses a gearing ratio to monitor its capital. This is calculated as net debt divided by total equity. Debt comprises long-term interest bearing loans and borrowings whilst capital comprises all equity attributable to the shareholder, including reserves. As at 31 December 2015, the Group's net debt to equity ratio was 29 per cent.

Majid Al Futtaim Finance, in which Majid Al Futtaim Ventures owns 100 per cent. of the share capital, is involved in credit card operations and is required by the UAE Central Bank to maintain its capital at a minimum of 15 per cent. of its total available funds.

The Group has various borrowing arrangements which require it to comply with net worth, interest cover and debt/equity ratios. The Group was in compliance with all such requirements at 31 December 2015 and remains in compliance with all such requirements as at the date of this Base Prospectus.

DIVIDEND POLICY

Majid Al Futtaim Holding is the only company within the Group to have a set dividend policy, the conditions for which are as follows:

(a) Majid Al Futtaim Holding intends to distribute approximately 10 per cent. of its annual consolidated net income to its shareholders (the **distribution**), which distribution shall be made no later than 6 months after the end of the financial year to which the distribution relates or at such other intervals as the board of directors may determine from time to time;

(b) the terms of any distribution (including the final amount and timing of such distribution) will at all times remain at the sole and absolute discretion of the board of directors, who will be required to approve every distribution by separate resolution in advance of declaring such distribution. Final payment of any declared distribution will be subject to the final approval by the company's shareholders; and

(c) the Majid Al Futtaim Holding board of directors shall take into consideration a number of factors before declaring or making such distribution, including (without limitation):

    (i) general economic and business conditions, Majid Al Futtaim Holding's and the Group's strategic plans, Majid Al Futtaim Holding's financial results and conditions, its cash requirements and the benefits of investing any future earnings in the development and growth of the Group's business;

    (ii) any legal requirements and any contractual obligations or limitations, whether currently applicable or which may become relevant in the future, which affect, or may affect, the ability of Majid Al Futtaim Holding to approve or make such distribution;

    (iii) the requirements of any future financing agreements to which Majid Al Futtaim Holding may be a party; and

    (iv) any other factors which the board of directors may deem relevant in respect of the distribution in question.

RECENT DEVELOPMENTS

Source of information

The information relating to the Group's and MAF Properties' financial performance during the first quarter of 2016 included in this Base Prospectus is sourced from the internal management accounts and records of MAF Holding and MAF Properties, respectively. Such financial information is unaudited.

Overview

In the first three months of 2016, the Group's revenue increased by 13.8 per cent. to AED 7,735 million and its EBITDA increased by 9.2 per cent. to AED 1,024 million, in each case compared to the same period in the year ended 31 December 2015.

The increase in revenue reflected improved results in a number of the Group's business operations during the first three months of 2016 (compared to the same period in the year ended 31 December 2015) as follows:

- an increase of 12 per cent. in revenue from MAF Retail with 4 per cent. of the growth attributed to sales from established stores, and the remaining 96 per cent. of the growth coming from new store openings in the UAE, Oman, Kazakhstan and Jordan; 3 new hypermarkets and 5 new supermarkets were opened in the first three months of 2016, taking the Group's presence to 70 hypermarkets and 91 supermarkets;
- an increase of 14 per cent. in revenue from MAF Properties mainly due to a 12 per cent. increase in revenue from the Shopping Malls Business Unit and a 10 per cent. increase in revenue from the Hotels Business Unit. Revenue growth from established malls, mostly in the UAE, was 3 per cent. while revenue from established hotels declined by 1 per cent.; and
- an increase of 48 per cent. in revenue from MAF Ventures attributable to higher performance from all entities, principally MAF Cinemas, MAF Leisure and Entertainment and MAF Finance.

The EBITDA increase of 9.2 per cent reflects an increase of 15 per cent. in EBITDA from MAF Properties, an increase of 3.2 per cent. in EBITDA from MAF Retail and decrease of 27.2 per cent. in EBITDA from MAF Ventures.

Liquidity and borrowings

As of 31 March 2016 the Group had a strong liquidity position, with AED 1,625 million cash in hand and at bank and AED 9,138 million of available credit lines.

The table below summarises the Group's borrowings as at 31 March 2016 and as at 31 December in each of 2015 and 2014, respectively.

	At 31 March	At 31 December	
	2016	**2015**	**2014**
	(unaudited)		
		(AED millions)	
Long-term loans	10,548	10,586	9,015
Less current portion	(1,948)	(2,102)	(2,681)
Total non current portion	8,600	8,484	6,334
Short term loans from a related party	44	53	1
Long term loan from a related party	-	-	7
Bank overdrafts	-	-	35
Total borrowings	10,592	10,639	9,058

The table below shows the Group's borrowings (excluding bank overdrafts) as at 31 March 2016 by debtor:

	At 31 March
	2016
	(unaudited) *(AED millions)*
Majid Al Futtaim Holding	
Unsecured but with Majid Al Futtaim Properties guarantee	5,710
Unsecured and unguaranteed	44
Total Majid Al Futtaim Holding	**5,754**
Majid Al Futtaim Properties	
Secured	-
Unsecured but with Majid Al Futtaim Holding guarantee	3,320
Unsecured and unguaranteed	-
Total Majid Al Futtaim Properties	**3,320**
Majid Al Futtaim Retail	
Unsecured but with Majid Al Futtaim Holding guarantee	11
Total Majid Al Futtaim Retail	**11**
Other	
Secured and/or guaranteed by banks[1]	1,507
Unsecured	-
Total other	**1,507**
Total borrowings (excluding bank overdrafts) [2]	**10,592**

(1) Borrowings by subsidiaries of Majid Al Futtaim Holding or Majid Al Futtaim Properties, in certain cases on a limited recourse basis to the borrower. Certain of these borrowings are also guaranteed by Majid Al Futtaim Holding or Majid Al Futtaim Properties.

(2) Unamortised bank arrangement fees of AED 60 million have been deducted from total borrowings as at 31 March 2016.

SUMMARY OF MAJID AL FUTTAIM PROPERTIES FINANCIAL INFORMATION

The following summary of consolidated historical financial information as at and for the years ended 31 December 2015 and 2014 has been extracted from the 2015 Majid Al Futtaim Properties Financial Statements, which have been incorporated by reference into this document. Certain reclassifications have been made in the 2015 Majid Al Futtaim Financial Statements and, as a result, these statements are not comparable in all respects to the 2014 Majid Al Futtaim Financial Statements. See *"Presentation of Financial and Other Information—Presentation of Majid Al Futtaim Financial Information"*.

Prospective investors should read the following summary consolidated financial information in conjunction with the information contained in "*Presentation of Financial and Other Information*", "*Risk Factors*", "*Majid Al Futtaim Properties Financial Review*", "*Description of the Group—Majid Al Futtaim Properties*" and the Majid Al Futtaim Properties Financial Statements (including the related notes thereto) appearing elsewhere in this document.

STATEMENT OF COMPREHENSIVE INCOME

The following table shows Majid Al Futtaim Properties' consolidated statements of comprehensive income for the two years ended 31 December 2015 and 2014 respectively.

	Year ended 31 December	
	2015	**2014**
	(AED millions)	
Revenue	4,091	3,858
Operating expenses	(1,890)	(1,775)
Net valuation gain/(loss) on land and buildings	1,743	1,229
Other (expenses)/income - net	(33)	(78)
Impairment reversal/(provision) - net	57	(135)
Share of (loss)/profit in joint ventures and associate - net	(43)	41
Finance income	16	15
Finance costs	(283)	(329)
Profit before tax	**3,658**	**2,826**
Income tax (charge)/credit - net	(131)	(51)
Profit for the year from continuing operations	**3,527**	**2,775**
Loss on discontinued operations – net of tax		-
Profit for the year	**3,527**	**2,775**
Profit / (loss) attributable to:		
Owners of Majid Al Futtaim Properties	3,506	2,756
Non-controlling interest	21	19
Profit for the year	**3,527**	**2,775**
Other comprehensive income		
Net valuation gain on land and building	281	540
Foreign currency translation differences from foreign operations	(142)	(40)
Other comprehensive income for the year, net of income tax.	**139**	**500**
Total comprehensive income for the year	**3665**	**3,275**
Attributable to:		
Owners of Majid Al Futtaim Properties	3645	3256
Non-controlling interest	20	19
Total comprehensive income for the year	**3,665**	**3,275**

STATEMENT OF FINANCIAL POSITION

The following table shows Majid Al Futtaim Properties' consolidated statement of financial position as at 31 December in each of 2015 and 2014 respectively.

	At 31 December	
	2015	**2014**
	(AED millions)	
Non-current assets		
Property, plant and equipment	4,933	4,264
Investment property	36,320	31,344
	41,253	**35,608**
Other non-current assets		
Investment in joint ventures and associate	1,099	1,132

Intangible assets	73	93
Long term receivables	469	552
Deferred tax asset	9	4
	1,650	**1,781**
Current assets		
Development property	-	798
Inventories	25	21
Receivables and prepayments	436	359
Due from related parties	36	124
Cash in hand and at bank	599	475
	1,096	**1,777**
Current liabilities		
Payables and accruals	2,570	2,314
Provisions	81	117
Due to related parties	55	91
Current maturity of long term loans	197	5,602
	2,903	**8,124**
Net current liabilities	**(1,807)**	**(6,347)**
Non-current liabilities		
Long term loans	9,134	2,621
Other long term liabilities	84	119
Deferred tax liabilities	198	92
Long term portion of provision for employment benefits	19	1
Provision for staff terminal benefits	70	63
	9,505	**2,896**
Net assets	**31,591**	**28,146**
Equity:		
Share capital	3,500	3,500
Shareholder contribution	2,938	2,938
Revaluation reserve	14,269	13,988
Other reserves	10,552	7,408
Total equity attributable to the owners of Majid Al Futtaim Properties	**31,259**	**27,834**
Non-controlling interest	332	312
Total equity	**31,591**	**28,146**

CASH FLOW STATEMENT

The following table summarises Majid Al Futtaim Properties' cash flows for the two years ended 31 December 2015 and 2014 respectively.

	Year ended 31 December	
	2015	**2014**
	(AED millions)	
Cash from operating activities	2,869	2,852
Cash (used in) investing activities	(3,353)	(3,266)
Cash flows from/(used in) financing activities	650	485
Net (decrease)/increase in cash and cash equivalents	**166**	**71**
Cash and cash equivalents at the beginning of the year	430	359
Currency translation effect on cash held	(5)	—
Cash and cash equivalents at end of year	**591**	**430**

EBITDA

The following table shows a reconciliation of Majid Al Futtaim Properties' EBITDA to profit/ (loss) as shown in the consolidated income statement for the two years ended 31 December 2015 and 2014 respectively.

	Year ended 31 December	
	2015	**2014**
	(AED millions)	
EBITDA[1]	2,559	2,385
Depreciation	(344)	(326)
Amortisation of intangible asset	(20)	(20)
Impairment reversal/(provision)	57	(135)
Net finance cost	(267)	(314)
Net valuation gain / (loss) on land and buildings	1,743	1,229
Taxation	(131)	(51)
Fixed assets/project costs written off	(10)	(4)
Share of (loss)/gain in joint ventures and associates, net	(43)	42
Others	5	(5)
Forex	(36)	(11)
IAS - 17 Adjustments	14	(15)
Profit for the year after tax	**3,527**	**2,775**

(1) Calculated as profit for the year after adding back extraordinary items, interest, provisions, share of gain/(loss) in joint ventures and associates, tax, depreciation and amortisation.

MAJID AL FUTTAIM PROPERTIES FINANCIAL REVIEW

The following review of Majid Al Futtaim Properties' financial position and results of operations is based upon and should be read in conjunction with the Majid Al Futtaim Properties Financial Statements which have been incorporated by reference into this document and which are available for inspection at the registered office of the Issuer and at the specified office of the Paying Agent for the time being in London (see "*General Information—Documents Available*"). As a result of certain reclassifications made in 2015, adjustments have been made to Majid Al Futtaim Properties' statement of comprehensive income for the year ended 31 December 2014, the consolidated statement of profit or loss for the year ended 31 December 2014 and the consolidated statement of cash flows for the year ended 31 December 2014 in each case as included in the 2015 Majid Al Futtaim Properties Financial Statements. As a result, these statements are not comparable in all respects to those in the 2014 Majid Al Futtaim Properties Financial Statements.

This discussion contains forward-looking statements that involve risks and uncertainties, see "*Cautionary Statement Regarding Forward Looking Statements*". Actual results for Majid Al Futtaim Properties could differ materially from those indicated in any forward-looking statements as a result of various factors, including those discussed below and in "*Risk Factors*".

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Majid Al Futtaim Properties' Financial Statements requires management to make certain estimates and judgments, some of which are subjective and complex, often as a result of the need to make estimations of future events. The Group's significant accounting policies are set out in note 3 to the 2015 Majid Al Futtaim Properties Financial Statements and a summary of the critical accounting estimates and judgments that are made in preparing the financial statements is set out in note 2(d) to the 2015 Majid Al Futtaim Properties Financial Statements.

RESULTS OF OPERATIONS FOR THE TWO YEARS ENDED 31 DECEMBER 2015

Revenue

Majid Al Futtaim Properties' principal source of revenue is the rental income that it earns from the tenants in its shopping malls and other properties. Majid Al Futtaim Properties also earns revenue from the hotels which it owns and limited leisure and entertainment revenue from the unique leisure offerings owned by it and managed by MAF Ventures, including Ski Dubai, the Wahoo Water Park in Bahrain and certain facilities at Mirdif City Centre shopping mall (together referred to as unique leisure offerings), see "*Description of the Group—MAF Ventures—Strategic businesses—MAF Leisure and Entertainment*".

The table below shows a breakdown of Majid Al Futtaim Properties' revenue for the two years ended 31 December 2015, and 2014, respectively.

	Year ended 31 December			
	2015		2014	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Rental income	3,077	75.2	2,829	73.3
Hotel revenue	682	16.7	734	19.0
Leisure and entertainment revenue	288	7.0	281	7.3
Project management revenue	30	0.8	-	0
Others	14	0.3	14	0.4
Total revenue	**4,091**	**100.0**	**3,858**	**100.0**

Majid Al Futtaim Properties' total revenue increased by AED233 million, or 6 per cent. in 2015 (from AED3,858 million in 2014 to AED4,091 million in 2015). The increase reflected a 9 per cent. increase in rental income and a 7 per cent. decrease in hotel revenue, primarily driven by the performance of its comparable like-for-like assets.

In geographical terms, in 2015, 77 per cent. of Majid Al Futtaim Properties' revenue was derived from the UAE, 11 per cent. was derived from Bahrain, 4 per cent. was derived from Oman, 4 per cent. was derived from Egypt and 4 per cent. was derived from Lebanon.

Rental income

Majid Al Futtaim Properties derives almost all of its rental income from renting units in its shopping malls and a very small proportion from renting offices in three office buildings (of which one is partially occupied by Group companies). Rental income increased by AED248 million, or 8.7 per cent., in 2015 (from AED2,829 million in 2014 to AED3,077 million in 2015).

The increase principally reflected better performance of its comparable like-for-like assets mainly driven by Mall of the Emirates, Bahrain City Centre and Mirdiff City Centre. The opening of Mei'aisem City Centre in September 2015 added AED15 million to the rental income revenue stream.

Hotel revenue

Majid Al Futtaim Properties earns hotel revenue from the rooms, food and beverages and other services provided at its hotels. All hotel revenue is stated as gross, with the fees paid to the hotel management companies and the costs incurred by Majid Al Futtaim Properties in providing services at its hotels being included in operating expenses.

Majid Al Futtaim Properties' hotel revenue decreased by AED52 million, or 7 per cent. in 2015 (from AED734 million in 2014 to AED682 million in 2015). The decrease is primarily attributable to the decrease in the average daily rate (ADR) and renovations in some of the hotel properties. The fall of the Russian currency and increased market competition were also contributing factors.

Leisure and entertainment revenue

Leisure and entertainment revenue increased by AED7 million, or 2 per cent. in 2015 (from AED281 million in 2014 to AED288 million in 2015) principally due to an increase in revenue from Ski Dubai amounting to AED10 million.

Operating expenses

The table below shows Majid Al Futtaim Properties' operating expenses for the two years ended 31 December 2015 and 2014 respectively.

	Year ended 31 December			
	2015		**2014**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Staff costs	(586)	31.0	(575)	32.4
Depreciation	(344)	18.2	(325)	18.3
Legal, professional and consultancy fees	(72)	3.8	(97)	5.5
Selling and marketing expenses	(171)	9.0	(107)	6.0
Utilities	(111)	5.9	(118)	6.6
Repair and Maintenance	(118)	6.2	(112)	6.3
Amortization charge for Intangible Asset	(20)	1.1	(20)	1.1
Other operating expenses	(468)	24.8	(421)	23.8
Total operating expenses	**(1,890)**	**100.0**	**(1,775)**	**100.0**

Majid Al Futtaim Properties' principal operating expenses are staff costs and depreciation, which together comprised 49.2 per cent. and 50.7 per cent. of its total operating expenses in 2015 and 2014, respectively. Each of these items is analysed in more detail below.

Majid Al Futtaim Properties' total operating expenses increased by AED115 million, or 6 per cent., in 2015 (from AED1,775 million in 2014 to AED1,890 million in 2015). This increase principally reflected increase in selling and marketing expenses of AED64 million, increase in staff costs of AED11 million, increase in depreciation of AED19 million and offset by decrease in legal, professional and consultancy fees of AED25 million.

Staff costs

Majid Al Futtaim Properties' staff costs (which exclude staff costs capitalised as part of projects under construction) increased by AED11 million, or 1.9 per cent., in 2015 (from AED575 million in 2014 to AED586 million in 2015), reflecting both increased costs in relation to increase in number of employees in certain business units and salary increases. The overall number of employees remained relatively stable from 2014 to 2015. MAFP comprised of 3,195 employees at the start of the year and this number was 3,195 at year end. While 126 employees were added across the non-hotel business units, the Hotels business unit (HBU) saw a decrease in its employee count by 126 employees.

Depreciation

Majid Al Futtaim Properties' depreciation charge increased by AED19 million, or 5.8 per cent. in 2015 (from AED325 million in 2014 to AED344 million in 2015).

Net valuation change on land and buildings

Developed properties classified as property, plant and equipment in accordance with IAS 16 are revalued on each reporting date. Any increase arising on the revaluation of developed properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising from the revaluation of properties is charged to profit and loss, except to the extent that it reverses a previously recognised revaluation gain on the property in which case it is debited to revaluation reserve in equity.

Investment properties are properties held either to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Following initial recognition at cost, investment property, principally comprising land with undetermined use, certain shopping malls and property being constructed for future use as investment property, is stated at fair value at the reporting date.

The net valuation change on land and buildings comprises the sum of: (i) any losses incurred on the revaluation of properties classified as property, plant and equipment; (ii) any increases arising on the revaluation of properties classified as property, plant and equipment to the extent they reverse losses previously charged to the profit and loss; and (iii) the fair value gains or losses on investment property.

In 2015, Majid Al Futtaim Properties recognised a net valuation gain of AED308 million on property, plant and equipment of which a valuation gain of AED281 million (mainly on the Sheraton Hotel Mall of the Emirates, Kempinski Hotel and Pullman City Centre Residence) was credited to other comprehensive income and a valuation gain of AED27 million (principally on the Le Meridien, Westin Hotels in Bahrain and an office building in Dubai) was charged to the profit and loss account. A gain on valuation of investment property of AED1,716 million (principally on Mall of the Emirates, Bahrain City Centre and Mirdif City Centre) was also charged to the profit and loss account in 2015.

In 2014, Majid Al Futtaim Properties recognised a net valuation gain of AED658 million on property, plant and equipment of which a valuation gain of AED540 million (mainly on the Sheraton Hotel Mall of the Emirates, Kempinski Hotel and Pullman City Centre Residence) was credited to other comprehensive income and a valuation gain of AED118 million (principally on the Le Meridien and Westin Hotels Bahrain) was charged to the profit and loss account. A gain on valuation of investment property of AED1,111 million (principally on Mall of the Emirates, Bahrain City Centre and Mirdif City Centre) was also charged to the profit and loss account in 2014.

Other income and expenses, net

Majid Al Futtaim Properties' other income and expenses comprise the net gain or loss made on the disposal of property, plant and equipment, investment property and assets held for sale, fixed assets and project costs written off once the Group determines not to proceed with a particular project, development expenses written off that cannot be capitalized to a project per IFRS, any net foreign exchange gain or loss, service charges levied on related parties, a provision for a related party balance and other income. Majid Al Futtaim Properties' other income and expenses, comprised net expenses of AED33 million in 2015 and net expenses of AED78 million in 2014. The decrease in Other income and expenses, net is mainly attributable to the decrease in the land transfer fee which was paid in 2014.

Impairment provision

In prior years, Majid Al Futtaim Properties' had paid AED389 million as an advance to a joint venture, as its contribution against purchase of land. Subsequently, management reassessed the future prospects of the joint venture and an impairment provision was recognized against this advance. During the current year, Majid Al Futtaim Properties' has received AED107 million in cash and accordingly the impairment provision has been reversed to that extent. This impairment reversal has been offset against impairment booked against capital work in progress in relation to property, plant and equipment and development properties and investment in joint venture of AED50 million.

Share of gain in joint ventures and associate, net

A list of Majid Al Futtaim Properties' joint ventures and associate is set out in notes 30 and 32 to the 2015 Majid Al Futtaim Properties Financial Statements. Joint ventures and associates are accounted for using the equity method, which means that Majid Al Futtaim Properties' proportionate share of the profit or loss made by each joint venture or associate is included under this line item.

The table below shows Majid Al Futtaim Properties' share of the profit or loss of its joint ventures and associate for the two years ended 31 December 2015 and 2014, respectively.

	At 31 December	
	2015	**2014**
	(*AED millions*)	
Share of profit of joint ventures	30	54
Share of (loss) of associate	(73)	(12)
Total	**(43)**	**42**

Majid Al Futtaim Properties' share of loss in joint ventures and associate was AED43 million in 2015 and the share of profit in joint ventures and associates was AED42 million in 2014. This decrease is mainly on account of the increase in the share of loss in the associate Enshaa PSC and the joint ventures of Sharjah Holding Company JSC and Waterfront City SARL offset by the share of profit resulting from its joint venture of The Wave Muscat S.A.O.C.

Net finance cost

The table below shows Majid Al Futtaim Properties' net finance cost recognised in profit or loss for the two years ended 31 December 2015 and 2014, respectively.

	At 31 December	
	2015	**2014**
	(*AED millions*)	
Arrangement and participation fee	(2)	(20)
Interest charges (less capitalised interest)	(276)	(309)
Unwinding of the discounting of finance lease liabilities	(5)	-
Finance costs	**(283)**	**(329)**
Interest income	9	8
Unwinding of the discounting of long term receivable from a joint venture	7	7
Finance income	**16**	**15**
Net finance costs	**(267)**	**(314)**

Majid Al Futtaim Properties' net finance cost charged to profit and loss decreased by AED47 million, or 15 per cent., in 2015 (from AED314 million in 2014 to AED267 million in 2015). This decrease is primarily attributable to the decrease in arrangement and participation fees by AED18 million and the increase in interest capitalization by AED80 million offset by an increase in interest expense of AED46 million.

Profit before tax

Reflecting the above factors, Majid Al Futtaim Properties' profit before tax was AED3,658 million in 2015 and AED2,826 million in 2014.

Income tax

Majid Al Futtaim Properties' is subject to tax on the income earned by it in certain of the jurisdictions in which it operates.

Majid Al Futtaim Properties' operations in these jurisdictions gave rise to an income tax charge of AED131 million in 2015 and income tax charge of AED51 million in 2014. Of the total income tax charge of AED131 million in 2015, AED110 million relates to deferred tax (2014: AED17 million). Majid Al Futtaim Properties recognises deferred tax on the temporary differences arising between the tax base and asset base on fair valuation of properties in Egypt, Lebanon and Oman.

Profit / (loss) for the year

Reflecting the above factors, Majid Al Futtaim Properties' profit after tax was AED3,527 million in 2015 and AED2,775 million in 2014.

Other comprehensive income/(loss)

In 2015, Majid Al Futtaim Properties' other comprehensive income was AED139 million compared to the other comprehensive income of AED500 million in 2014.

The principal factor affecting other comprehensive income and loss is the fair value gains and losses made on the valuation of land and buildings each year. See *"Net valuation change on land and buildings"*. Additionally in 2015 Majid Al Futtaim Properties' recorded foreign currency translation differences from its foreign operations of AED142 million as compared to AED40 million in 2014.

Majid Al Futtaim Properties' loss or profit for each year and the items above, resulted in total comprehensive income for Majid Al Futtaim Properties of AED3,665 million in 2015 and AED3,275 million in 2014.

Segments

Majid Al Futtaim Properties is organised to achieve its objectives through four business units: the Shopping Mall Business Unit, the Hotels Business Unit, the Communities Business Unit and the Project Management Business Unit which is a new business unit which begun in 2015. Furthermore in 2015, a number of organizational changes were made in order to strengthen the businesses, reinforce their operating independence and autonomy and focus the efforts towards a successful and sustainable path for growth. As a result the human resources function, the legal team and accounting & finance teams were embedded in the business units. The corporate human capital function, the legal team and accounting and finance teams continue to drive the standards, policies and procedures for its respective functions embedded in the business units and form part of the corporate support functions. Geographic segments are divided into the UAE, Oman, Bahrain, the Kingdom of Saudi Arabia (and together, the "**GCC**"), Egypt and Lebanon.

Management Reporting

In conjunction with IFRS financial and other financial indicators, Majid Al Futtaim Properties relies on non-GAAP profitability measures together with statistical and operating key performance indicators to achieve its business unit and corporate goals. These non-GAAP financial measures are used to supplement IFRS reporting in order to align business reporting with operating performance:

- Management Revenue: Statutory reported revenues are adjusted to exclude the impacts of non-cash IAS17 lease accounting impacts, and include the consolidated revenues of managed equity investments or joint ventures revenues.

- Business unit EBITDA: This key reporting measure includes the consolidated results of managed equity investments or joint ventures, and is defined as all business unit revenues and operating expenses before finance charges, taxes, depreciation, amortisation, impairment charges and fair value changes.

- Majid Al Futtaim Properties EBITDA: This is considered to be the key measure of the Group's operating performance and cash generation. It is defined as the aggregate of business unit EBITDA less corporate centre expenses before finance charges, taxes, depreciation, amortisation, impairment charges, fair value changes, share of losses from joint ventures and associate, IAS 17 lease adjustments, foreign exchange gains / (losses), capital expenditure write offs and loss on disposal of subsidiaries.

- Business unit Operating Profit: This business unit financial measure is defined as business unit EBITDA after impacts of gross asset fair value changes (irrespective of IAS16 or IAS40 classification); non-cash charges such as depreciation, amortisation, impairment and asset write-offs; the Group's share in non-managed equity investments' or joint ventures' net profit or loss; minority share of managed equity investments' or joint ventures' net profit or loss; and any gains or losses on asset disposals.

- Management Net Profit: This corporate measure is defined as the aggregate of the business unit's operating profit after finance charges, foreign exchange gains or losses and taxes.

Shopping Mall Business Unit

This business unit leads and manages all aspects of the retail development and management of shopping malls, ranging from regional shopping malls to smaller community centres. The Shopping Mall Business Unit undertakes various functions in this respect such as development, design, leasing, marketing and property management. In addition, the Shopping Mall Business Unit owns a number of leisure and entertainment operations located within its shopping malls.

Revenues from this business unit principally comprise of base minimum rents, percentage rents based on tenant sales volume, mall promotions and media, recovery of common area charges, leisure and entertainment assets, and management fees.

Hotels Business Unit

This business unit is responsible for the development of hotel assets and the management of these assets in association with third-party hotel operators.

Revenues from this business unit principally comprise of room revenues, food and beverage revenues and management fees (in cases where the Hotels Business Unit is responsible for the management of the hotel).

Communities Business Unit

This business unit is responsible for master development of larger master planned lifestyle developments that comprise multiple asset classes (such as residential units, hotels and leisure and entertainment facilities), and is responsible for infrastructure, residential and commercial assets within these developments. The Communities Business Unit is also responsible for managing the Group's portfolio of office buildings.

Revenues from this business unit principally comprise of sale proceeds upon recognition of leasing revenues from commercial, residential, serviced land or other mixed use assets as well as management fees where the Communities Business Unit has agreed with its joint venture partner to provide management services in respect of the relevant development.

Project Management Business Unit

This business unit provides fee-based advisory, development and management services to Shopping Malls, Hospitality and Communities.

The table below shows each business unit's EBITDA, operating profit and management net profit for the years ended 31 December 2015 and 2014.

	Year ended 31 December					
	EBITDA		Operating profit		Management net profit	
	2015	2014	2015	2014	2015	2014
	(AED millions)		*(AED millions)*		*(AED millions)*	
Shopping Malls Business Unit	2,464	2,329	4,327	3,336	4,223	3,288
Hotels Business Unit	262	290	331	632	331	632
Communities Business Unit	(111)	(61)	(131)	142	(120)	141
Total Business Units	2,615	2,558	4,527	4,110	4,434	4,061
Corporate Support	(56)	(173)	27	(188)	(524)	(737)
Total	**2,559**	**2,385**	**4,554**	**3,922**	**3,910**	**3,324**

The table below shows the geographical breakdown of EBITDA, operating profit and management net profit for the years ended 31 December 2015 and 2014.

	Year ended 31 December					
	EBITDA		Operating profit		Management net profit	
	2015	2014	2015	2014	2015	2014
	(AED millions)		*(AED millions)*		*(AED millions)*	
UAE	2,032	1,824	3,923	3,089	3,374	2,562
Oman	132	125	178	188	162	188
Bahrain	283	277	310	433	310	433
Kingdom of Saudi Arabia	(13)	(8)	(13)	(8)	(13)	(8)
GCC Total	**2,434**	**2,218**	**4,398**	**3,702**	**3,833**	**3,175**
Egypt	92	130	138	194	70	143
Lebanon	32	37	18	26	7	6
Total Non-GCC Countries	**124**	**167**	**156**	**220**	**77**	**149**
Total	**2,558**	**2,385**	**4,554**	**3,922**	**3,910**	**3,324**

Reconciliation of Statutory net profit / (loss) with management net profit

	Year ended 31 December	
	2015	2014
	(AED millions)	
Statutory net profit - attributable to the owners of the company	3,506	2,756
Reconciling items:		
Fair value adjustments(1)	67	(26)
IAS-16 Fair value changes recognised in income statement(1)	281	540
Depreciation on strategic assets(2)	265	261
Coupons declared to Majid Al Futtaim Holding(3)	(220)	(220)
Non-cash IAS-17 lease adjustments(4)	(14)	15
Other adjustments	25	(2)
Total reconciling items	404	568
Management net profit / (loss)	3,910	3,324

(1) For the calculation of Management net profit, gross changes in fair value from one reporting date to another are reported in the income statement as compared to the net accounting valuation change computed as per the requirements of IAS 16 or IAS 40 for statutory purposes. Also, for the calculation of management net fair value changes, the proportionate equity share of strategic equity investments or joint ventures are considered as part of the respective business unit.

(2) For management net profit calculation, depreciation is not charged on strategic assets which are subject to fair valuation. Gross changes in fair value are reported in the income statement. For statutory purposes all assets which are classified under IAS 16 are depreciated and any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount.

(3) For management net profit calculation, coupons declared during the year on the subordinated capital loan instruments are shown as a deduction from net profit. For financial reporting purposes, coupons are shown as an appropriation of distributable profit and are adjusted in equity.

(4) For management net profit calculation, IAS 17 lease adjustments are not considered.

Note 5 to the 2015 Majid Al Futtaim Properties Financial Statements presents certain financial information for each segment. In revenue and assets terms, the Shopping Malls Business Unit is the most significant segment, accounting for 81 per cent. of Majid Al Futtaim Properties' revenue in 2015 and for 83 per cent. of its assets as at 31 December 2015. In terms of EBITDA, the Shopping Mall Business Unit and the Hotels Business Unit each generated positive EBITDA in 2015 and 2014. The Communities Business Unit generated a negative EBITDA in 2015 and 2014.

CASH FLOWS FOR THE TWO YEARS ENDED 31 DECEMBER 2015

The table below summarises Majid Al Futtaim Properties' cash flows for the two years ended 31 December 2015 and 2014, respectively.

	Year ended 31 December	
	2015	2014
	(AED millions)	
Net cash from operating activities	2,869	2,852
Net cash (used in) investing activities	(3,353)	(3,266)
Net cash from financing activities	650	486
Increase / (decrease) in cash and cash equivalents	**166**	**72**
Cash and cash equivalents at start of year	430	358
Currency translation effect on cash held	(5)	—
Cash and cash equivalents at end of year	591	430

In 2015, Majid Al Futtaim Properties' net cash from operating activities was AED2,869 million and net cash used in investing activities was AED3,353 million, principally reflecting the cost of acquiring property, plant and equipment, which was AED781 million and investment property, which was AED2,661 million. The majority of these amounts reflected capital work in progress and in relation to the construction of Mall of Egypt, Al Maza City Centre, Mei'aisem City Centre, Al Zahia City Centre, Muscat City Centre expansion and the redevelopment of Mall of the Emirates and Deira City Centre. The net cash inflow from Majid Al Futtaim Properties in financing activities in 2015 was AED650 million. Majid Al Futtaim Properties received loans of AED918 million (net) and paid interest of AED269 million.

In 2014, Majid Al Futtaim Properties' net cash from operating activities was AED2,852 million and net cash used in investing activities was AED3,266 million, principally reflecting the cost of acquiring property, plant and equipment, which was AED416 million, investment property, which was AED2,419 million and development property, which was AED722 million. The majority of these amounts reflected capital work in progress and in relation to the construction of Mall of Egypt, Al Maza City Centre, Mei'aisem City Centre, Al Zahia City Centre, Muscat City Centre expansion, redevelopment of Mall of the Emirates and one land purchase in Saudi Arabia. Majid Al Futtaim Properties also encashed AED8 million in fixed deposits with maturity of more than 3 months in 2014. During 2014, Majid Al Futtaim Properties entered into an usufruct contract which has provided it usufrusct rights over two plots of land in Oman for a period of fifty years and Majid Al Futtaim Properties has accounted for the lease as a finance lease resulting in the recognition of a finance lease liability of AED83 million. The net cash used by Majid Al Futtaim Properties in financing activities in 2014 was AED486 million. Majid Al Futtaim Properties received loans of AED769 million (net) and paid interest of AED283 million. In addition, Majid Al Futtaim Properties' non-controlling interest made a land contribution of AED215 million in 2014.

LAND AND BUILDINGS

Majid Al Futtaim Properties' land and buildings are categorised either as investment property or as property, plant and equipment. Investment properties are properties held either to earn rental income, for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

Certain of Majid Al Futtaim Properties' properties include a portion that is held to generate rental income or capital appreciation and another portion that is held for own use in the supply of services or for administrative purposes. These properties may be split between the two categories where applicable law provides that separate title could be granted to each portion.

Certain properties in the UAE have been developed on land held in the name of the majority shareholder for the beneficial interest of the Company. In 2015, the title for the properties in the UAE that had been developed on land gifted by the Ruler of Dubai to the majority shareholder of the ultimate holding entity, has been registered with the Dubai Land Department in return for a fee paid by the Company, thereby, granting the Company freehold title to these land plots. Accordingly, management is of the view that these properties can now be treated as those where portions can be sold or leased separately under a finance lease.

Due to legal restrictions in Oman, properties cannot currently be sold or leased under a finance lease separately. As a result, these properties are classified as investment properties only if an insignificant portion is held for own use.

Majid Al Futtaim Properties determines the fair value of undeveloped land and other developed properties twice a year on 31 December and 30 June using valuations made by an independent firm of RICS Chartered Surveyors and Valuers. The valuation has been prepared and benchmarked against yield methodology. The DCF approach determines the present value of the estimated future net cash flows for each property adopting an asset specific discount rate. An exit yield that reflects the specific risks inherent in the asset is then applied to the final cash flow to arrive at the property valuation. Investment Properties Under Construction ("**IPUC**") are measured at fair value once the valuer determines a substantial part of the project's uncertainty has been eliminated, such that a reliable value can be determined. IPUC are valued by estimating the fair value of the completed investment property and deducting the estimated costs to complete the construction. When the value is deemed not to be reliably determinable, the IPUC is carried at cost of the land plus work in progress until the earlier of the date that construction is completed or the date at which fair value becomes reliably measurable. Properties held for future development (land bank) are valued using comparable methodology which involves analysing other relevant market transactions. Comparable methodology can involve a parcelisation approach where it is assumed a larger plot is subdivided and sold in smaller lots sizes over a period of time.

The table below shows the value of Majid Al Futtaim Properties' land and buildings as at 31 December in each of 2015 and 2014, respectively.

	At 31 December	
	2015	**2014**
	(AED millions)	
Classified as property, plant and equipment	4,416	3,816
Classified as investment property	31,326	27,539
Total	**35,742**	**31,355**

In addition, Majid Al Futtaim Properties had undeveloped land classified as investment property and valued at AED960 million at 31 December 2015.

BORROWINGS

Majid Al Futtaim Properties' external borrowings comprise long-term loans from commercial banks. In addition, as at 31 December 2015 Majid Al Futtaim Properties has loans outstanding from Majid Al Futtaim Holding totalling AED4,372 million, see "*Related Parties*".

The table below summarises Majid Al Futtaim Properties' borrowings as at 31 December in each of 2015 and 2014, respectively.

	At 31 December	
	2015	**2014**
	(AED millions)	
Long-term loans	9,331	8,223
Of which current portion	197	5,602

Details of Majid al Futtaim Properties' four outstanding external loans and facilities at 31 December 2015 are set out in note 21 to the 2015 Majid al Futtaim Properties Financial Statements. The loans have maturity dates ranging from February 2017 to April 2026. The loans are denominated in dirham, U.S. dollars, Egyptian pound and Lebanese pound. The majority of the loans bear interest at floating rates with margins ranging from 1.5 per cent. to 3.5 per cent. above a reference rate. Certain of the loans (as identified in note 21) are secured against assets of Majid al Futtaim Properties. The principal amount outstanding of secured loans at 31 December 2015 was AED1,521 million (This balance is net of the AED19 million unamortized underwriting fee).

SHAREHOLDERS' EQUITY

The table below shows Majid Al Futtaim Properties' shareholders' equity as at 31 December in each of 2015 and 2014, respectively.

	At 31 December	
	2015	**2014**
	(AED millions)	
Share capital	3,500	3,500
Shareholder contribution	2,938	2,938
Retained earnings	9,890	6,841
Revaluation reserve	14,269	13,988
Other reserves	662	568
Non-controlling interest	332	311
Total equity attributable to the owners of Majid Al Futtaim Properties	**31,591**	**28,146**

Share capital

Majid Al Futtaim Properties' share capital as at 31 December 2015 comprised 3,500,000 shares of AED1,000 each, all of which are fully paid and owned by Majid Al Futtaim Holding.

Shareholder contribution

In October 2009, Majid Al Futtaim Properties issued perpetual subordinated loan instruments of AED2,500 million to Majid Al Futtaim Holding. During 2010, a further AED250 million of these instruments were issued. The instruments bear interest at 8 per cent. to 7 October 2019 at which point they can be called for redemption. If not redeemed, they will bear interest at a floating rate equal to a margin of 5 per cent. over a defined benchmark. The coupon is not cumulative and can be deferred at Majid Al Futtaim Properties' discretion. Should Majid Al Futtaim Holding cease to control Majid Al Futtaim Properties, the coupon will increase by 5 per cent. and become cumulative. All of the instruments were issued against cancellation of an equivalent amount of debt owed to Majid Al Futtaim Holding by Majid Al Futtaim Properties and the first coupon declared in 2010 was similarly set-off.

In 2012 Majid Al Futtaim Properties novated derivative instruments with a negative fair value of AED188 million to Majid Al Futtaim Holding. Majid Al Futtaim Holding waived its contractual obligation of recovering the liability from Majid Al Futtaim Properties and accordingly this balance was classified within shareholder contribution.

Revaluation reserve

The revaluation reserve principally reflects changes in the fair value of Majid Al Futtaim Properties' land and buildings classified as property, plant and equipment as required by IAS 16. Any increase in value arising on each revaluation of such assets is credited to the revaluation reserve unless and to the extent it reverses a decrease in the value of the same asset previously recognised in profit and loss, in which case the increase in value is recognised in profit and loss instead. Any decrease in value arising on each revaluation of such assets is debited from the revaluation reserve to the extent that the revaluation reserve contains a credit balance in respect of the asset concerned. If and to the extent there is no such credit balance, the decrease is charged to profit and loss.

Other reserves

Majid Al Futtaim Properties and its subsidiaries maintain a statutory reserve as required by applicable law. Typically a percentage of profit of the relevant company is transferred to the statutory reserve each year until the reserve equals the limit prescribed by applicable law. In addition, Majid Al Futtaim Properties maintains a currency translation reserve in respect of foreign currency differences arising from the translation of the financial statements of Majid Al Futtaim Properties' group companies whose functional currency is not the dirham.

RELATED PARTIES

Majid Al Futtaim Properties' related party transactions are described in note 17 to the 2015 Majid Al Futtaim Properties Financial Statements and principally comprise transactions with other Group companies and key management personnel and/or their close family members. The shareholder contributions described under "*Shareholders' Equity—Shareholder contribution*", the guarantees given by and to Majid Al Futtaim Properties in respect of borrowings by it and other Group companies as referred to under "*Group Financial Review—Liquidity and Borrowings*" and the additional transactions described in note 17 to the 2015 Majid Al Futtaim Properties Financial Statements and note 17 to the 2014 Majid Al Futtaim Properties Financial Statements, comprise the principal related party transactions in the two years under review.

OFF-BALANCE SHEET LIABILITIES

Majid Al Futtaim Properties has significant off-balance sheet liabilities in the form of capital commitments and guarantees given by it.

The table below shows Majid Al Futtaim Properties' off-balance sheet liabilities as at 31 December in each of 2015 and 2014, respectively.

	At 31 December	
	2015	**2014**
	(AED millions)	
Capital commitments	3, 396	3,031
Financial guarantees	7569	8,193
Other operational guarantees	5	5
Total	**10,970**	**11,229**

DESCRIPTION OF THE GROUP

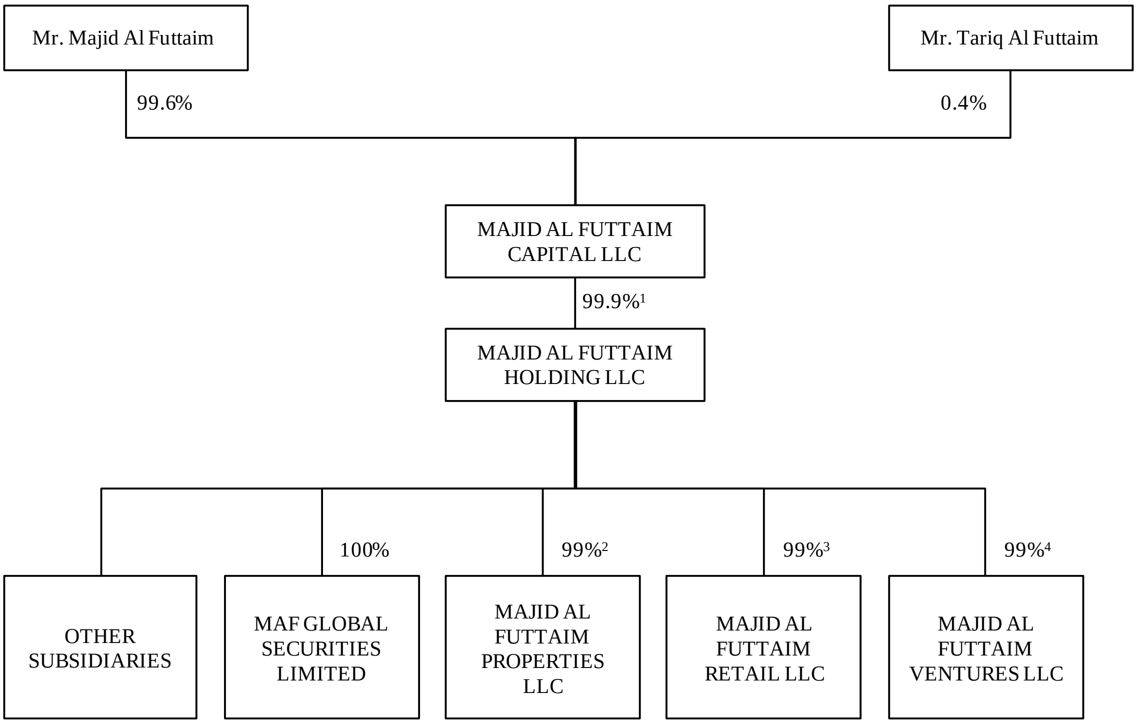
OVERVIEW

The Group is one of the largest developers and operators of shopping malls and hypermarkets in the MENA region. Founded in Dubai in 1992 to bring the first regional shopping mall to the Middle East, the Group's activities have since grown to include hotel development and the provision of synergistic leisure and entertainment products and services. As at 31 December 2015, the Group has operations in 13 countries predominantly in the MENA region.

For the financial year ended 31 December 2015, driven by annual footfall of approximately 171 million people through its shopping mall destinations, Majid Al Futtaim Holding had consolidated revenue of AED27,343 million and consolidated EBITDA of AED3,835 million, as well as consolidated assets of AED50,883 million at 31 December 2015.

In 2014, driven by annual footfall of approximately 167 million people through its shopping mall destinations, Majid Al Futtaim Holding had consolidated revenue of AED25,261 million and consolidated EBITDA of AED3,586 million, as well as consolidated assets of AED44,624 million at 31 December 2014.

The following chart sets out the structure of the Group as at the date of this Base Prospectus.



1: 0.1% held by MAJID AL FUTTAIM TRUST LLC
2: 1% held by Tariq Al Futtaim
3: 1% held by MAJID AL FUTTAIM VENTURES LLC
4: 1% held by MAJID AL FUTTAIM TRUST LLC

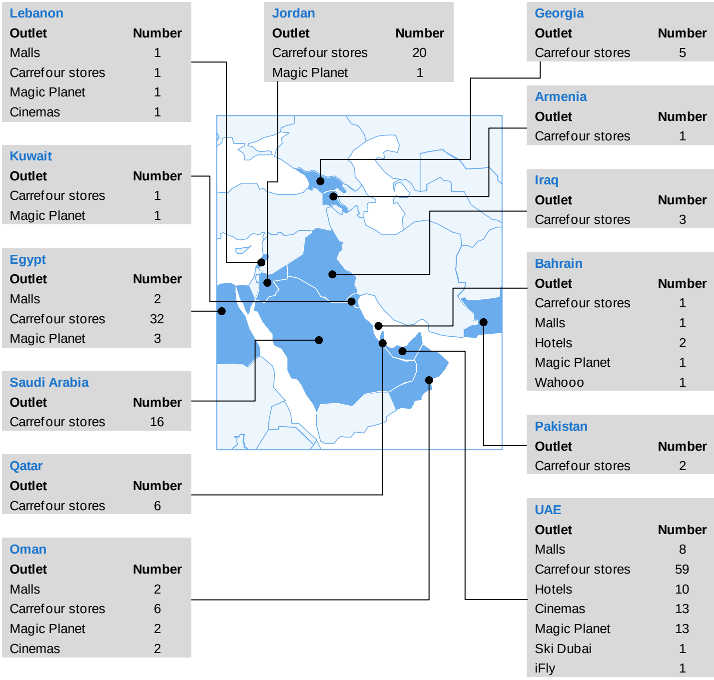
The Group's operations are carried out by three complementary operating companies: Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures, in each of which Majid Al Futtaim Holding holds a 99 per cent. ownership interest:

- "**Majid Al Futtaim Properties**" develops and manages shopping malls, which is the Group's core business. Majid Al Futtaim Properties currently operates 14 shopping malls in the UAE, Egypt, Oman, Bahrain and Lebanon and is currently constructing or master planning an additional six malls, located in the UAE, the Kingdom of Saudi Arabia, Egypt and Oman. Majid Al Futtaim Properties also develops hotels adjacent to or in close proximity to shopping mall destinations and, on a selective basis, undertakes mixed-use developments, in each case where this adds value to its core mall development business. Majid Al Futtaim Properties currently owns 12 hotels, of which ten are located in the UAE and two are located in Bahrain with three additional hotels in Dubai under development. Majid Al Futtaim Properties operates through its three business units: Shopping Malls, Hotels and Communities. For the financial year ended 31 December 2015, Majid Al Futtaim Properties had revenue of AED4,091 million and EBITDA of AED2,607 million. For the year ended 31 December 2014, Majid Al Futtaim Properties had revenue of AED3,856 million and EBITDA of AED2,369 million.

- "**Majid Al Futtaim Retail**" first introduced the hypermarket model to the Middle East in 1995 through Majid Al Futtaim Hypermarkets, originally established as a joint venture company with Carrefour in which Majid Al Futtaim Retail had a 75 per cent. interest. Since June 2013, Majid Al Futtaim Hypermarkets has been a wholly owned subsidiary of the Group, managed by Majid Al Futtaim Retail in which Majid Al Futtaim Retail has a 99.9 per cent. interest and Majid Al Futtaim Holding has a 0.1 per cent. interest. For further detail on the history of Majid Al Futtaim Hypermarkets please see "*Description of the Group—Majid Al Futtaim Retail*". Carrefour stores are a key anchor tenant in each of the Group's shopping malls and the Group has also opened Carrefour stores outside its shopping malls. Majid Al Futtaim Retail has expanded the Carrefour concept across the UAE and into Bahrain, Egypt, Iraq, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Georgia and Lebanon. As at 31 December 2015, Majid Al Futtaim Retail operated 67 Carrefour hypermarkets, 80 Carrefour supermarkets and 6 convenience stores in 13 countries predominantly in the MENA region. For the financial year ended 31 December 2015, Majid Al Futtaim Retail had revenue of AED22,076 million and EBITDA of AED1,178 million. For the year ended 31 December 2014, Majid Al Futtaim Retail had revenue of AED20,578 million and EBITDA of AED1,147 million.

- "**Majid Al Futtaim Ventures**" operates the Group's leisure and entertainment services, including a unique leisure offering in each of its three super-regional shopping malls, for example Ski Dubai which is located in the Group's flagship shopping mall, Mall of the Emirates. Majid Al Futtaim Ventures also operates 22 Magic Planet entertainment centres located in all of the Group's shopping malls and elsewhere and sixteen cinemas located in nine of the Group's shopping malls and elsewhere. Majid Al Futtaim Ventures also offers Najm Visa credit cards via its Majid Al Futtaim Finance consumer finance business, operates a fashion retail business operating as a licencee of a number of international brands and has a small portfolio of other investments in the food and beverages, mobile payments, healthcare and facilities management sectors. For the period ended 31 December 2015, Majid Al Futtaim Ventures had revenue of AED1,438 million and EBITDA of AED186 million. For the year ended 31 December 2014, Majid Al Futtaim Ventures had revenue of AED1,074 million and EBITDA of AED152 million.

The following map sets out details of the Group's principal operations in each of the countries in which it operated as at 31 December 2015.



In geographical terms, during the year ended 31 December 2015, 53 per cent. of the Group's revenue was derived from the UAE, 11 per cent. was derived from Egypt, 9 per cent. was derived from Saudi Arabia, 8 per cent. was derived from Qatar, 5 per cent. was derived from Oman, and the remaining 14 per cent. was derived from other countries predominantly in the MENA region. In addition, on 10 February 2016, the Group's operations increased from 13 countries to 14 countries.

HISTORY

Founded in 1992 in Dubai, the Group operated solely in Dubai until 1999. During that period, the joint venture with Carrefour was established, and the Group operated shopping malls, hypermarkets, hotels and cinemas. Between 1999 and 2001, the Group expanded across the UAE and into Oman. Between 2001 and 2003, the Group expanded into Egypt. Between 2003 and 2005, the Group expanded into Saudi Arabia. Between 2005 and 2008, the Group expanded into Kuwait, Bahrain, Jordan and Qatar and invested in a mixed-use development in Oman. Between 2008 and 2010, the Group expanded into Pakistan. The Group's geographic expansion has principally been driven by its retail business with five Carrefour hypermarkets operating by the end of 2000, 18 by the end of 2005, 48 by the end of 2012 and 58 by the end of 2015.

As at the date of this Base Prospectus, the franchise agreement between Majid Al Futtaim Hypermarkets and Carrefour covers 38 countries in the Middle East, Africa and Central Asia.

STRENGTHS

Management believes that the Group's credit strength is bolstered by the following factors:

- **Low volatility in operating income**: Reflecting the fact that a significant majority of its revenue is derived from food retailing (which is relatively unaffected by economic cycles) and, to a lesser extent, from rental income from tenants in its shopping malls (which is also generally a stable source of income), the Group experiences low levels of volatility in its operating income. The Group's operating income in each of 2013, 2014 and 2015 was AED 7,259 million, AED 8,091 million and AED 8,909 million, respectively, and its operating margins were 32 per cent., 32 per cent. and 32.5 per cent. respectively;

- **Leadership in markets where the Group competes**: The Group's principal market is the UAE and Dubai in particular. The Group believes that it has a leading position as a shopping mall developer in Dubai as it owns three of the leading shopping malls currently operating in Dubai. The Group also believes that it has a leading position as a shopping mall developer in the MENA region as no other company operating in the region has a geographic spread of shopping malls to match the Group's and that its experience of operating in a wide range of markets within the MENA region will help the Group as it seeks to expand into new markets such as Armenia and Kazakhstan;

- **Steady cash flows and balanced financial profile:** The Group benefits both from a sound asset base in Majid Al Futtaim Properties, which accounted for 87.8 per cent. and 86.5 per cent. of the Group's assets as at 31 December 2014 and 31 December 2015, respectively, and also from a stable source of operating cash flow from the retailing business carried on by Majid Al Futtaim Retail, which accounted for 81.5 per cent. and 80.7 per cent. of the Group's revenue in the years ended 31 December 2014 and 2015, respectively; and rentals generated by its shopping malls and certain other properties. The Group believes that this combination of sound asset base and stable cash flow is a significant differentiator from other property development companies in the region;

- **Complementary businesses:** The Group has a focused strategy aimed to ensure that it delivers outstanding shopping destinations, in significant part, through creating and exploiting a range of synergies in its businesses. For example, having Carrefour as an anchor tenant helps to drive significant footfall in the Group's shopping malls which makes the malls more attractive to prospective tenants. In addition, the Group's hotels and leisure businesses help to differentiate its shopping malls and provide additional attractions to shoppers, particularly tourist shoppers in Dubai and Bahrain. The Group's credit cards help to build customer loyalty and to differentiate the Group whilst the Group's significant customer base is a large potential target market for its credit card offering. Management of Majid Al Futtaim Holding believes that these synergies were a major factor in insulating the Group against the worst effects of the global financial crisis during 2008 and 2009;

- **Strong corporate governance:** Management of Majid Al Futtaim Holding believes that the Group has robust corporate governance procedures in place. In particular, the Group has voluntarily adopted the principles of the Combined Code on Corporate Governance for listed companies in the UK across all areas of its business and has established principles of corporate governance and defined their application across each of the Group's operating companies. In addition, the Group has established strong operating company board structures reporting to the Board of Majid Al Futtaim Holding, has segregated shareholdings in and management of the Group's operating companies and ensures that all applicable laws and regulations in the countries in which it operates are complied with. Although the Chief Executive Officer ("**CEO**") and Chairman of Majid Al Futtaim Holding are in regular contact with Mr. Majid Al Futtaim, the Majid Al Futtaim family does not actively participate in the day-to-day operations of the Group;

- **Presence in locations with strong business potential:** When considering a new shopping mall or stand alone Carrefour store project, the Group conducts extensive due diligence and market research in order to identify the best sites. In particular, factors such as current and anticipated population, catchment areas, accessibility to the proposed shopping mall or store, potential rate of urbanisation and known or planned competing facilities are all considered and, in the case of additional shopping malls or stores in a single city, enhanced market research is conducted into relevant catchment areas to ensure that competition between the Group's facilities is minimised. The Group believes that it has been able to secure prime locations for many of its assets. In addition, particularly in Dubai (where it has three shopping malls) and Bahrain, the Group is not solely reliant on the local population and benefits from significant tourist footfall in its shopping malls. In all of the countries in which the Group operates, it also benefits from factors such as the generally high temperatures which encourage indoor shopping and the fact that shopping malls are perceived as family-friendly places to socialise and engage in wider activities other than just shopping;

- **Low leverage:** The Group's net debt to EBITDA ratios in each of 2013, 2014 and 2015 were 2.1, 2.2 and 2.4 respectively. For these purposes, the Group's net debt is defined as long-term loans (including current maturity), short-term loans and bank overdrafts less cash in hand and at banks;

- **Operating in markets with long-term macro-economic potential:** The Group's principal market is the UAE but other markets which are significant to the Group are Egypt, Qatar, Saudi Arabia, Oman and Bahrain. Between 2006 and 2015, each of these markets experienced significant increases in nominal GDP, had growing populations and experienced an average annual growth in private consumption in excess of five per cent. Reflecting these factors, retail sales grew significantly in each market over the 2010 to 2015 period, with Majid Al Futtaim Retail reporting compound annual growth rates in retail sales of 6.2 per cent. in Bahrain, 7 per cent. in the UAE, 9.7 per cent. in Saudi Arabia, 10.9 per cent. in Oman, 7.5 per cent. in Egypt, 7.6 per cent. in Qatar, 5.4 per cent. in Kuwait, 17.1 per cent. in Jordan and 21 per cent. in Pakistan in 2015; and

- **Prudent financial management and track record:** The Group believes that it has implemented strong risk management policies, particularly as regards managing its liquidity and credit risks, see "Group Financial Review—Financial Risk Management". The Group has experienced steady revenue and EBITDA growth. The Group's revenue grew by 10.3 per cent. in 2013, 11.3 per cent. in 2014 and 8.2 per cent. in 2015 whilst its EBITDA grew by 10.7 per cent. in 2013, 9.5 per cent. in 2014 and 6.9 per cent. in 2015. In addition, the Group follows a conservative investment capital expenditure policy, typically entering new markets with lower cost hypermarket developments before committing to capital intensive shopping mall developments, adhering to a defined and rigorous process for making investment decisions, seeking to pre-fund its capital expenditure, entering into joint ventures where appropriate and by retaining the flexibility to scale back its developments in adverse market conditions.

STRATEGY

The Group's corporate strategy is focussed on achieving outstanding shopping destinations. The Group intends to focus on core sectors and markets where it has existing market leadership or where it sees an opportunity to establish itself as a leader in an under-developed market and to continue to create and exploit the synergies between its different businesses. In particular, the Group intends to:

- **Enhance and grow its shopping destination business:** The Group intends to continue to undertake shopping mall developments on a regional basis both within the UAE and, outside the UAE, in markets which it believes are currently under-developed and offer a combination of increasing consumer spending power, increasing openness to international markets and low levels of international competitiveness. The Group intends, over time, to continue to diversify away from Dubai, where its revenues are currently concentrated;

- **Control and grow its retail businesses:** The Group expects to continue to develop its Carrefour hypermarket and supermarket business, both as anchor tenants for its new shopping mall developments and also on a stand alone basis. In particular, the Group expects to continue to expand its portfolio of Carrefour supermarkets to meet customer preferences for more convenient food retail outlets and to exploit other synergies within its business, such as the loyalty rewards it can offer through the credit cards issued by Majid Al Futtaim Finance (see "*—Development pipeline*"); and

- **Strengthen its core capabilities to compete in the future:** The Group intends to strengthen certain aspects of its individual businesses to further support its retail-focused corporate strategy. One of the Group's core capabilities is its ability to identify retail potential in specific catchment areas within a city, which is critical to the decision regarding location of a new shopping mall, Carrefour store or other relevant asset. To this end, the Group continues to invest in proprietary research methods based on primary ground research and its accumulated experience gained in relation to the Carrefour stores and shopping malls which are already operational. The Group is further strengthening its core capability in accumulation and integration of customer data which allows it to better serve the needs of its final consumers. During 2012, Carrefour developed a personalised loyalty programme in the UAE which allows Carrefour to capture data in relation to individual shoppers.

MAJID AL FUTTAIM PROPERTIES

Overview

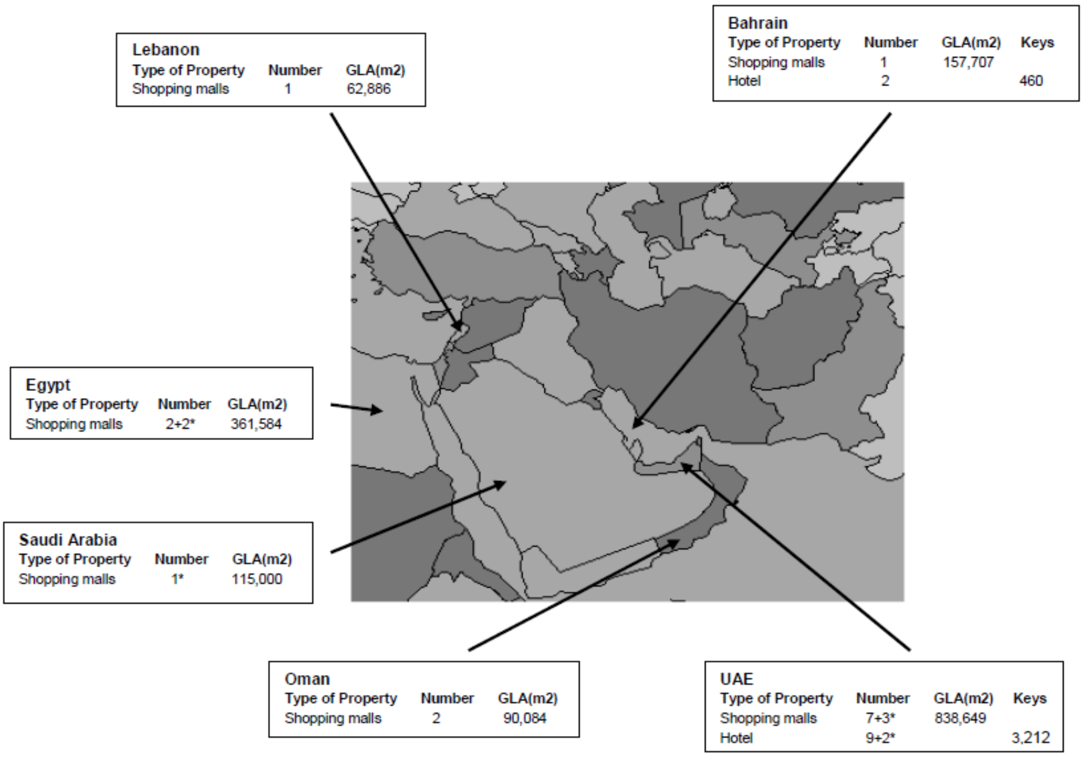
Majid Al Futtaim Properties' vision is to be recognised as the market leader in the development, ownership and management of shopping malls in the MENA region. Majid Al Futtaim Properties' goal is to create long-term sustainable wealth for the Group through:

- the entrepreneurial development and management of a diversified portfolio of shopping centres; and
- the development of hotels and, on a selective basis, mixed-use projects where they add synergistic value to its shopping centres.

Majid Al Futtaim Properties operates through three independent business units as follows:

- **Shopping Malls**: As at 31 December 2015, the Shopping Malls Business Unit ("**SMBU**") owned and operated 18 shopping malls with a Gross Leasable Area ("**GLA**") of approximately 1,112,000 square metres, including 4 neighbourhood community malls held in joint-venture. In 2015, SMBU completed City Centre Me'Aisem, a 22,833 square metre project in Dubai (UAE), as well as the expansion works of Mall of the Emirates and City Centre Muscat. Combined, the portfolio of malls attracted 171 million visitors in 2015. SMBU generated revenues of AED3,359 million and EBITDA of AED2,463 million and its assets were AED36,845 million. As at 31 December 2015, SMBU had an additional 16 developments and 7 redevelopment or expansion projects at planning or construction stage. The new projects, including new malls in the UAE, Egypt, Oman and the Kingdom of Saudi Arabia, represent an additional 1,175,000 square meters of GLA. SMBU represented 12.3 per cent., 64.2 per cent. and 72.4 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2015. By comparison, the Shopping Malls Business Unit's revenue and EBITDA were AED3,130 million and AED2,329 million, respectively, in 2014 and its assets were AED31,732 million at 31 December 2014, representing 12.4 per cent., 64.9 per cent. and 71.1 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2014;
- **Hotels**: The Hotels Business Unit primarily focuses on developing hotels adjacent to, or in close proximity to, the Majid Al Futtaim Properties shopping malls. The Hotels Business Unit currently owns 12 hotels, 10 of which are in the UAE and two in Bahrain with 3 hotels in Dubai under development. The operating hotels offer a total of 3,370 keys, with revenue and EBITDA of AED682 million and AED262 million in the financial year ended 31 December 2015 and assets as at 31 December 2015 of AED4,600 million, representing 2.5 per cent., 6.8 per cent. and 9.0 per cent., respectively, of the Group's revenue, EBITDA and assets for the period ending 31 December 2015. By comparison, the Hotels Business Unit's revenue and EBITDA were AED695 million and AED290 million, respectively, in 2014 and its assets were 3,978 million, at 31 December 2014, representing 2.8 per cent., 8.1 per cent. and 8.9 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2014; and
- **Communities**: The Communities Business Unit focuses on selective community developments principally covering land, residential and office developments and also provides access to Majid Al Futtaim Properties' core shopping mall business. Currently, this is achieved primarily through limited- or non-recourse joint ventures accounted for under the equity method. The Communities Business Unit is also responsible for managing three office buildings in Dubai. The Communities Business Unit's revenue in the financial year ended 31 December 2015 was AED29 million and it had assets of AED2,185 million as at 31 December 2015 representing 0.1 per cent. and 4.3 per cent., respectively, of the Group's revenue and assets as at and for the financial year ended 31 December 2015. The Communities Business Unit's revenue in 2014 was AED171 million and it had assets of AED2,922 million at 31 December 2014 representing 0.7 per cent. and 6.5 per cent., respectively, of the Group's revenue and assets as at and for the year ended 31 December 2014. The Communities Business Unit's EBITDA for the year ended 31 December 2015 was negative AED111 million compared to an EBITDA of negative AED61 million for the year ended 31 December 2014.

The following map sets out details of Majid Al Futtaim Properties' operating properties, properties under construction, properties under master planning and design and land bank in each of the countries in which it was present as at 31 December 2015.



* Denotes properties being master planned or under construction

In the course of 2015, the freehold titles to the Group's assets in Deira and Mall of the Emirates were registered with the Dubai land department. During the year, Majid Al Futtaim Properties secured full ownership of the titles to the Group's assets in Oman. The group's ability to freely dispose of these properties is no longer subject to restrictions.

Majid Al Futtaim Properties owns land of approximately 1.8 million square metres on which it has development plans in place with a carrying value of AED4,033 million (including work-in-progress) as at 31 December 2015. It also owns land, with no immediate construction plan or planned sales to third parties, of 599,305 square metres with a carrying value of AED960 million as at 31 December 2015 which is designated as investment property, and of 17,748 square meters of land with a carrying value of AED25 million as at 31 December 2015 which is designated as property, plant and equipment. Furthermore, in accordance with Group policy, land exceeding a valuation threshold of AED50 million is valued on an annual basis by an external firm of chartered surveyors and valuers.

Majid Al Futtaim Properties had revenue of AED4,091 million and EBITDA of AED2,607 million in 2015 as well as assets of AED44.0 billion at 31 December 2015, equal to 14.9 per cent., 67.9 per cent. and 86.5 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2015.

Majid Al Futtaim Properties had revenue of AED3,856 million and EBITDA of AED2,369 million in 2014 as well as assets of AED39.1 billion at 31 December 2014, equal to 15.3 per cent., 66.1 per cent. and 87.8 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2014.

Strategy

Majid Al Futtaim Properties' strategy is to focus on the development and operation of shopping malls within the MENA region. This is done as its core business through developing different product types: (i) super-regional shopping malls (malls with in excess of 100,000 square metres of gross leasable area); (ii) regional shopping malls (malls with between 60,000 and 100,000 square metres of gross leasable area); (iii) community malls (malls with between 20,000 and 60,000 square metres of gross leasable area); and (iv) neighbourhood community malls (malls with less than 20,000 square metres of gross leasable area). Majid Al Futtaim Properties expects to continue to build a network of malls covering differing catchment areas in selected cities in which it believes it can achieve a dominant position and/or capture unique market opportunities and aims to continue to develop hotels and undertake mixed-use projects preferably where there are clear synergistic benefits to the Group's core shopping mall business. In relation to its hotel developments, Majid Al Futtaim Properties' strategy is to outsource the day-to-day operational management of the hotels to specialist hotel management companies, such as Kempinski, Accor and Starwood (Sheraton).

Majid Al Futtaim Properties intends to prioritise its future capital expenditures on existing and new markets, utilising existing land owned by it, new land acquisition where practicable and through joint ventures where it can secure development and asset management agreements. It also expects to realise value through the sale of non-strategic properties within its land bank and to provide development, management and other shopping centre related services to third parties where this generates knowledge or other benefits to its existing shopping malls and provided it can ensure that reputational and conflict risks are properly controlled. Wherever possible, Majid Al Futtaim Properties intends to add value to its non-strategic land, for example through planning approvals, prior to its sale.

Competitive advantages

Majid Al Futtaim Properties believes that its competitive advantages include:

- **Established track record and reputation:** Majid Al Futtaim Properties owns and manages 18 shopping malls in the UAE (includes four neighbourhood community malls held in Joint venture), Bahrain, Oman, Egypt and Lebanon, including its flagship mall, the Mall of the Emirates in Dubai, which was opened in 2005 and had an annual footfall of approximately 38.2 million in 2015. Majid Al Futtaim Properties' first mall, City Centre Deira, was opened in November 1995. As at 31 December 2015, the average occupancy rates of its shopping mall portfolio was around 98 per cent. Majid Al Futtaim Properties believes that this track record, along with its established reputation, give it a significant competitive advantage in attracting consumers and customers (tenants) both to its existing and future shopping malls;

- **Locations:** In the countries and markets in which it operates, Majid Al Futtaim Properties are located in prime locations with established and growing catchment areas. The company focuses internal resources on constantly developing and improving the relevance of its shopping malls within its target markets;

- **In-house expertise:** Majid Al Futtaim Properties benefits from having integrated development, project management, asset management and mall management teams. Majid Al Futtaim Properties outsources on-site project management and construction activities to reputable firms and construction contractors with which it has established relationships;

- **Alliances and partnerships:** Through its alliance with Majid Al Futtaim Retail (i.e. the Carrefour franchisee) and its established relationships with a number of regional retail franchise groups, Majid Al Futtaim Properties is able to secure a strong tenant base for each of its shopping malls. See "*Risk Factors—Risks Relating to Majid Al Futtaim Properties—Majid Al Futtaim Properties rental revenues depend upon its ability to find tenants for its shopping malls and offices and the ability of such tenants to fulfil their lease obligations as well as on Majid Al Futtaim Properties achieving an optimal tenant mix for its shopping malls. In addition, Majid Al Futtaim Properties is exposed to tenant concentration*"; and

- **Unique leisure offers:** Through its collaboration with Majid Al Futtaim Ventures, Majid Al Futtaim Properties' super-regional shopping malls are each able to provide a unique leisure offering to their customers. These offerings include Ski Dubai (at Mall of the Emirates), Wahoo water park (at Bahrain City Centre) and iFly (a simulated sky diving experience at Mirdif City Centre). Majid Al Futtaim Properties' regional and community shopping malls benefit from other leisure and entertainment facilities such as cinemas and family entertainment centres, in each case where appropriate to the shopping mall concerned.

Project development model

Majid Al Futtaim Properties has three asset creation functions: business development, project development and project management, which are responsible for conceptualising, sourcing, developing and delivering projects for each of the three business units: Shopping Malls, Hotels and Communities. The business development function pursues project opportunities and assesses their feasibility prior to acquisition. The project development function is responsible for producing business plans, detailed master plans and concept designs for each project. The project management function manages project construction with the goal of delivering projects on time, in scope and within budget.

All development projects undertaken by Majid Al Futtaim Properties follow a rigorous standard operating process designed to ensure consistent oversight and that all development projects are executed in line with overall Group strategy, represent economically sound investments which add shareholder value and are able to be funded. Majid Al Futtaim Properties' project development model is a nine-stage process which is followed for all asset classes. The expertise of Majid Al Futtaim Properties' business development, and project development functions is utilised at each step of the process. The nine-stage process is set out in more detail below.

Stage 1: Sourcing, due diligence & land acquisition

The first of the nine stages principally involves potential site identification and the preparation and approval of a due diligence scope and budget for each potential development site. Target markets and geographies are identified within Majid Al Futtaim Properties' strategic priorities which are approved by senior management in line with Majid Al Futtaim Properties' strategic plan.

Stage 2: Land purchase and outline master plan

During this stage, a high level feasibility study is undertaken. This seeks to identify the potential options for the project and key success criteria. Additional due diligence is undertaken, including background market research by internal and external research providers (including current and projected population and household numbers in the catchment area, any current and potential future competitors, potential tenant interest and any environmental or other material factors affecting the site concerned), traffic assessment (including ease of accessibility) and financial criteria such as indicative land, construction and other development costs, as well as possible financing strategies. This research is updated at each later stage of the project. Exit options are also identified for any non-strategic assets and approval by both senior management and the Board of Majid Al Futtaim Properties is required before the identified land is purchased and the next stage can commence. Majid Al Futtaim Properties prefers to acquire 100 per cent. ownership of its properties and to develop its assets itself, but will enter into joint ventures where appropriate, for example as a result of legal restrictions on foreign ownership in some of the countries in which it operates. Key considerations for entering into a joint venture agreement include property location, identity of the joint venture partner and clarity of land ownership as well as control over development and operations. Although it has not done so to date, Majid Al Futtaim Properties will also consider acquiring existing companies or properties where economically attractive to do so. When constructing a new shopping mall, Majid Al Futtaim Properties seeks to purchase sufficient land to allow for future expansion projects and may also seek to plan the development in stages. See "*Risk Factors—Risks Relating to Majid Al Futtaim Properties—The success of Majid Al Futtaim Properties' business strategy and profitability depends upon its ability to locate and acquire or lease land suitable for development at attractive terms*".

Stage 3: Master plan approval and development budget

During this stage, the proposed structure of the project is identified and the high level feasibility study is developed into an indicative business and financial plan and more detailed success criteria (such as cash yield, internal rates of return, payback and net present value) are developed and analysed together with benchmarking and sensitivities, with a view to establishing a clear understanding of the financial, resourcing and risk implications of the proposed project. A financing strategy is also formulated at this stage. In the case of a new shopping mall project, the proposed merchandising mix is identified and for all new projects any necessary statutory approvals are applied for and obtained. Approval by the project control group is required for the key elements of this stage. The project control group is comprised of:

- the CEO and Head of Finance of Business units;

- the head of development and project management divisions;
- the projects specific developments directors, project manager and asset manager;
- the country head and country representative; and
- the representatives of specialists functions (such as leasing, marketing and finance) (the "**Project Control Group**").

Stage 4: Concept design

During this stage, a detailed business plan is prepared. Financial assumptions (including revenues, costs, financing, taxation and discount rates as well as revenue assumptions) are clearly identified and updated at each later stage of the project. Based on the approved financing strategy (approved in the previous stage), funding proposals are sought from third parties, a preliminary leasing (or mixed-use sales) plan is prepared and a project development brief containing all relevant data in relation to the proposed project is presented to the Project Control Group for approval.

Stage 5: Schematic design

During this stage, a scheme design and planning report is prepared with a view to achieving a high level of confidence that the proposed project can meet or exceed its objectives. The purpose of the scheme design and planning report is to allow a commitment to be made on detailed design and procurement, and to secure lease commitments from anchor tenants in the case of shopping malls. The detailed business plan is revised in the light of any new information and the financing strategy and preliminary leasing or sales plans are also finalised and approved. In the case of a new shopping mall project, commitments from anchor tenants are sought at this stage and in the case of a new hotel project, management agreements (both for technical services and hotel management) are entered into at this stage, whilst in the case of residential and office projects, off-plan sales reservations are commenced. Qualified contractors are identified and pre-qualification activity is undertaken. Approval by the Project Control Group is required for the key elements of this stage.

Stage 6: Detailed design

During this stage, a detailed design, procurement and construction report is prepared and any required funding is negotiated and secured in accordance with the approved financing strategy and further pre-leasing and off-plan sales reservations are undertaken. Typically projects are funded with a combination of debt and equity financing. Additionally the project development team seeks to ensure flexibility in the construction costs and commitments to minimise potential exit costs in the event of a significant adverse change in the feasibility of a project. Detailed designs are finalised, tenders are undertaken and any required building permits are obtained at this stage. The business plan is finalised and investment indicators are further revised in the light of any new information. Approval by the Project Control Group is required for the key elements of this stage.

Stage 7: Main construction contract award

During this stage, the business plan is finalised. A tender report is prepared summarising the outcome of the tender process and recommending proposed contractors. The main construction contractor is appointed and enabling works and any necessary site preparation commence, although, in the case of a new shopping mall project, historically this has taken place once tenants have been secured for about 50 per cent. of the gross leasable area (or in the case of residential or office developments, a 50 per cent. off-plan sales reservation target is achieved). Approval by the Project Control Group is required for the key elements of this stage.

Stage 8: Construction

During this stage, construction is undertaken in accordance with the detailed designs prepared. The costs, time and associated construction risks are closely monitored throughout this stage with a view to achieving handover on time, within scope and budget. During this stage, in the case of a new shopping mall project the leasing process continues and space is allocated within the shopping mall to committed tenants. In the case of residential and office developments, further sales reservations are undertaken and staged payments are collected from clients under contracted agreements. Approval by the Project Control

Group is required for the key elements of this stage and any adverse construction or project results such as cost overruns are referred to the Board of Majid Al Futtaim Properties.

Stage 9: Project completion

During this stage, post-completion evaluations are conducted for each project at the first and third year following delivery.

The development of a new project, from concept to completion, typically averages between four and seven years depending on asset class. In the case of shopping malls, the first three stages set out above typically take between one to two years and account for around 15 to 20 per cent. of the total project investment. Each of the fourth and fifth stages and the sixth and seventh stages described above typically takes between six months and one year to complete and accounts for around 5 per cent. of the total project investment. The final two stages typically take between two and three years to complete and account for approximately 70 to 75 per cent. of the total project investment.

Shopping Malls Business Unit

As at 31 December 2015, the Shopping Malls Business Unit ("**SMBU**") owned and operated 18 shopping malls with a Gross Leasable Area ("**GLA**") of approximately 1,112,000 square metres, including 4 neighbourhood community malls held in joint-venture. In 2015, SMBU completed City Centre Me'Aisem, a 22,833 square metre project in Dubai, as well as the expansion works of Mall of the Emirates and Muscat City Centre. Combined, the portfolio of malls attracted 171 million visitors in 2015. SMBU generated revenues of AED3,359 million and EBITDA of AED2,463 million and its assets were AED36,845 million. As at 31 December 2015, SMBU had an additional 16 developments and 7 redevelopment or expansion projects at planning or construction stage. The new projects, including new malls in the UAE, Egypt, Oman and the Kingdom of Saudi Arabia, represent an additional 1,175,000 square meters of GLA.

Shopping malls are classified in terms of their size and type. Each shopping mall is designed to have large anchor stores and various leisure amenities, including entertainment facilities and food and beverage facilities (such as food courts, fast food and speciality restaurants). Where feasible, Majid Al Futtaim Properties seeks to maximise the synergies across Group businesses in new shopping mall developments. For example: Carrefour hypermarkets operated by Majid Al Futtaim Retail as the food retail anchor store; entertainment facilities such as cinemas or Magic Planet centres operated by Majid Al Futtaim Ventures; and facilities management services operated by Group company Enova.

The Shopping Malls Business Unit seeks to maintain a balanced portfolio of shopping malls, ensuring that it has the right mix of super-regional, regional, community and neighbourhood malls and that the format it chooses to develop in a particular location will be attractive to its potential customer and consumer base. The Shopping Malls Business Unit strategically locates its shopping mall destinations close to residential areas to attract local residents with the convenience of shopping close to home. The potential customer base is expanded when, in line with the Group's overall strategy, the Hotels Business Unit and, where relevant, the Communities Business Unit develop hotels or residential properties close to the shopping malls.

The design and type of shopping malls are based on the profile of the relevant catchment area. For example, the Shopping Malls Business Unit has to date focused on super-regional malls in growing urban communities or tourism markets such as Dubai and Bahrain, and plans to focus on developing community and regional malls in other markets. In addition, the mix of retail outlets is based on the Shopping Malls Business Unit's understanding of the consumer preferences of local shoppers and, where appropriate, regional and international tourists within the particular area. This is done with the aim of ensuring an attractive mix of international brands, national retailers and leading local retailers. Market research is performed to evaluate trends, to segment the market and to benchmark against competitors.

The Shopping Malls Business Unit has strong relationships with key retail franchise groups which control a number of major brands in different countries. Depending on the size and consumer profile of a particular shopping mall, the Shopping Malls Business Unit will contract with one or more of these retail franchise groups as well as local retailers to establish a selection of retail brands within the shopping mall. In addition, the Shopping Malls Business Unit endeavours to cater to the expansion strategies of its tenants by offering them retail space in a variety of preferred locations in a number of its developments.

At the same time, the Shopping Malls Business Unit seeks to increase its footfall across the region by leveraging the increased recognition and popularity of its tenants.

Shopping malls in operation as at 31 December 2015

The following table shows the year opened, occupancy rate (for 2015), footfall (for 2015 and 2014), gross leasable area (for 2015) tenant sales per square metre (for 2015 and 2014) and the mall valuation (for 2015 and 2014) for each of the 18 shopping malls in operation as at 31 December 2015.

	Year Opened	Occupancy (%)	Footfall (31 December 2015)	Footfall (31 December 2014)	Gross Leasable Area	Tenant Sales/m² (31 December 2015)	Tenant Sales/m² (31 December 2014)	Mall Valuation (31 December 2015)	Mall Valuation (31 December 2014)
			(millions)		*(sq m)*			*(AED millions)*	
Super-Regional Malls									
Mall of the Emirates, Dubai, UAE	2005	99	38	39	250,924	35,864	40,403	12,877	10,620
City Centre Mirdif, Dubai, UAE	2010	97	23	23	197,747	22,497	20,880	5,860	5,411
City Centre Bahrain, Bahrain	2008	98	15	14	158,153	16,984	15,865	2,562	2,474
City Centre Deira, Dubai, UAE	1995	97	23	23	113,909	31,100	32,069	4,408	4,100
Regional & Community Malls									
City Centre Alexandria, Alexandria, Egypt	2003	99	13	13	59,495	16,107	13,449	645	631
City Centre Muscat, Muscat, Oman	2001	97	10	10	67,889	20,628	23,313	1,145	930
City Centre Sharjah, Sharjah, UAE	2001	99	11	12	37,809	28,409	29,357	684	656
City Centre Maadi, Cairo, Egypt	2002	96	12	10	31,392	26,602	28,958	360	405
City Centre Ajman, Ajman, UAE	1998	99	11	9	30,182	30,429	27,781	471	428
City Centre Qurum, Qurum, Oman	2008	98	4	4	23,327	20,033	16,504	298	299
City Centre Fujairah, Fujairah, UAE	2012	99	3	3	34,684	13,949	13,240	382	364
City Centre Beirut, Lebanon	2013	94	7	6	62,886	13,437	11,977	936	923
My City Centre Nasseriya(Note 1)	2014	97	1	1	5,365	12,917	10,606	95	98
Matajer Al Juraina (Note 2)	2012	100	2	2	6,032	NA	NA	121	110
Matajer Al Quoz (Note 2)	2011	99	2	2	3,195	NA	NA	49	52
Matajer Al Mirgab (Note 2)	2012	100	1	2	4,565	NA	NA	65	66
Matajer Al Khan (Note 2)	2012	100	1	1	1,808	NA	NA	29	30
City Centre Me'Aisem (Note 3)	2015	99	1	NA	22,833	4,769	NA	290	NA
Total		**98**	**177**	**174**	**1,112,195**	**24,130**	**25,147**	**31,277**	**27,597**

* Partial period

(i) The tenants sales in 2014 were for a partial period as the mall opened in Feb 2014

(ii) The footfall and tenant sales data is unavailable for the Matajer malls.

(iii) The tenants sales in 2015 for City Centre Me'Aisem were for a partial period as the mall opened in Sep 2015

- *Mall of the Emirates, Dubai, UAE*: Opened in 2005. Third level expansion opened in 2015 with a new flagship VOX cinema complex, innovative food and beverage concepts and retailers (including first Apple store in the region) operating over 23,000 square metres of additional leasable area. Located next to and directly linked to the "Mall of the Emirates" metro station: 250,924 square metres, 642 tenants, 38.2 million visitors in 2015 (23 million in 2005). Largest Carrefour hypermarket in the Middle East. The unique leisure offering includes a new 24 screen VOX cinema complex, Magic Planet entertainment centre, and Ski Dubai.

- *City Centre Mirdif, Dubai, UAE*: Opened in March 2010. First mall in the Middle East to achieve the Gold Rating for Leadership in Energy and Environmental Design ("**LEED**"), the sustainability rating system developed by the U.S. Green Building Council. 197,747 square metres, 518 tenants, 23.1 million visitors in 2015. Unique leisure offering includes iFly, a simulated sky diving experience, and Little Explorers, an educational adventure for children.

- *City Centre Bahrain, Bahrain*: Opened in September 2008. First integrated shopping, leisure and entertainment complex in Bahrain. 158,153 square metres, 396 tenants, 14.6 million visitors in 2015. Unique leisure offering includes Wahoo, the region's largest indoor-outdoor water park, the largest cinema complex in the Middle East and a Magic Planet entertainment centre.

- *City Centre Deira, Dubai, UAE*: Opened in November 1995. Majid Al Futtaim Properties' first mall development. Located next to and directly linked to the "City Centre Deira" metro station: 113,909 square metres, 390 tenants, 23.3 million visitors in 2015. The entertainment offer includes a VOX cinema complex under development with the largest cinema screen in the region.

- *City Centre Sharjah, Sharjah, UAE*: Opened in September 2001. Located in central Sharjah: 37,809 square metres, 143 tenants, 11.3 million visitors in 2015.

- *City Centre Maadi, Cairo, Egypt*: Opened in December 2002. 31,392 square metres, 107 tenants, 11.7 million visitors in 2015.

- *City Centre Ajman, Ajman, UAE*: Opened in December 1998. Currently Ajman's largest shopping centre: 30,182 square metres, 77 tenants, 10.6 million visitors in 2015.

- *City Centre Qurum, Qurum, Oman*: Opened in November 2008: 23,327 square metres, 92 tenants, 3.7 million visitors in 2015.

- *City Centre Fujairah, Fujairah, UAE*: Opened in April 2012: 34,684 square metres, 126 tenants, 3.2 million visitors in 2015.

- *City Centre Beirut, Beirut, Lebanon*: Opened in April 2013: 62,886 square metres, 244 tenants, 6.7 million visitors in 2015.

- *My City Centre Nasseriya, Sharjah, UAE*: Opened in 2014. Neighbourhood mall with a balanced mix of practical and lifestyle-oriented stores for residents in the local community. 5,365 square metres, 25 tenants, 1.0 million visitors in 2015.

- *My City Centre Me'Aisem, Dubai, UAE*: Opened in September 2015. Neighbourhood mall with a balanced mix of practical and lifestyle-oriented stores for residents in the local community. 22,833 square metres, 54 tenants, 0.9 million visitors since October 2015.

- *Matajer Al Juraina, Sharjah, UAE*: Opened in 2012: 6,032 square metres, 41 tenants.

- *Matajer Al Quoz, Sharjah, UAE*: Opened in 2011: 3,195 square metres, 24 tenants,

- *Matajer Al Mirgab, Sharjah, UAE*: Opened in 2012: 4,565 square metres, 26 tenants.

- *Matajer Al Khan, Sharjah, UAE*: Opened in 2012: 4,565 square metres, 26 tenants.

Shopping Malls under development

In addition to its portfolio of operating shopping malls, SMBU has an additional 16 development and 7 redevelopment or expansion projects at planning or construction stage. The new projects, including new malls in the UAE, Egypt, Oman and the Kingdom of Saudi Arabia, represent an additional 1,175,000 square meters of GLA. Key projects for new malls are as follows:

- *Mall of Egypt, Cairo, Egypt:* This super-regional mall located in the west of Cairo, Egypt is under construction and is planned to open in 2016 with a total gross leasable area of approximately 166,000 square metres. The mall includes a unique leisure offering themed around snow and ice. The mall will also include a Majid Al Futtaim Ventures' cinema and a Magic Planet entertainment centre.

- *City Centre Al Maza, Cairo, Egypt:* This super-regional shopping mall located in east Cairo, Egypt commenced works on site in Q4 2015. The mall will have a gross leasable area of approximately 103,000 square metres and is planned for opening in 2019. It will include a VOX Cinema complex and a Magic Planet in addition to a Carrefour Hypermarket.

- *City Centre Al Zahia, Sharjah, UAE:* This super-regional mall is at an advanced stage of design with a planned opening date in 2019 and will have a total gross leasable area of approximately 136,000 sqm. This mall will be located in Sharjah on Sheikh Mohamed bin Zayed Road, the main artery connecting all the Emirates. Majid Al Futtaim Ventures' VOX Cinema and Family Entertainment centre (Magic Planet) and a Carrefour Hypermarket are planned to be part of this development.

- *Mall of Saudi, Riyadh, Saudi Arabia:* This super-regional mall in Riyadh is at design stage with construction expected to start in 2018 and with a planned opening date in 2022. Phase 1 of mall will have a total gross leasable area of approximately 235,000 sqm. It will include a Magic Planet entertainment centre in addition to a Carrefour Hypermarket.

- *City Centre Ishbiliyah*: This super-regional mall in Riyadh is at an advanced design stage with construction starting in 2017 and with a planned opening date in 2020. It will have a total gross leasable area of approximately 112,000 square metres. It will include a Magic Planet entertainment centre in addition to a Carrefour Hypermarket.

- *Mall Of Oman, Muscat, Oman:* This super-regional mall with a planned opening date in 2020 will have a total gross leasable area of approximately 137,000 square metres. Construction is expected to start in 2016.

Marketing

The Shopping Malls Business Unit has a centralised marketing structure within the GCC and acts as a central marketing hub for non-GCC markets ensuring consistent marketing across assets and geographies and aimed at enhancing the value of the Group's brands. Marketing is targeted at both retailers (as potential tenants) and end-consumers. The principal marketing activities include branding, external communication, advertising, media buying, sales promotions, loyalty programmes, digital marketing and CSR (corporate social responsibility and community relations). The Group's shopping malls have won numerous awards, including 51 international and regional awards, which most recently included:

- Gold award from the International Council of Shopping Centres ("**ICSC**") Sales, Promotion and Events for City Centre Bahrain for the "Winter Tales, The Nutcracker" campaign, 2015;

- Gold award from the ICSC Public Relations for City Centre Bahrain for the "Fashion Weekend Concert" campaign, 2015;

- Silver award from the ICSC Public Relations for City Centre Bahrain for the "Art of C" campaign, 2015;
- Gold award from the ICSC Sales, Promotion and Advertising for the "Tom and Jerry" campaign, 2015;
- Silver award from the ICSC Integrated Digital for the "Electronics" campaign, 2015;
- Silver award from the ICSC Public Relations for the "Make a Difference" campaign in relation to the Ramadan Media Launch, 2015;
- Silver award from the ICSC Cause Related Campaign for the "Monopoly" campaign, 2015;
- Certificate of Excellence from TripAdvisor, 2015;
- Second runner up award for City Centre Sharjah from Shj Municipality for best "National Day Décor" in shopping malls category, 2015;
- Gold award for the Monopoly Campaign, for Mall of the Emirates, City Centre Deira and Mirdif under the "Sales Promotion and Events" category, 2015;
- Gold award for the Monopoly Campaign, for Mall of the Emirates, City Centre Deira and Mirdif under the "New Media category", 2015;
- Gold award for the Dubai Shopping Festival "City Centre Wonderland" Public Relations campaign for City Centre Deira and Mirdif, 2015;
- Gold award at Festival of Media MENA for "Best Experiential Campaign" under the Monopoly Marketing campaign, 2015;
- Gold award at the Mena Digital Awards for "Best Digital Activation" under the Monopoly campaign at Mall of the Emirates, City Centre Mirdif and Deira, 2015;
- Gold Award at the Middle East Event Awards for "Outstanding Brand Activation", 2015; and
- Silver Award at the WOW Awards Asia for "Best Use of Experiential Marketing", 2015.

Lease arrangements

Majid Al Futtaim Properties enters into lease agreements with its retail tenants, the duration of which varies by tenant, and typically commences negotiations regarding the renewal of lease agreements approximately six months prior to the expiration of a lease agreement. The lease term for anchor tenants typically varies from 10 to 20 years, for major tenants from between five to 10 years and for line stores from between one to five years. The average lease terms across the Group's malls as at 31 December 2015 ranged from six to seven years. Maximum lease terms are 20 years. Majid Al Futtaim Properties also enters into leases of one year or less for tenants operating counters, carts, kiosks and mall media in each mall. Under the terms of the lease agreements, some major tenants have a restrictive clause preventing them from opening a competing store within a defined radius. In addition, tenants typically do not have the right to rescind their lease agreements except in limited cases and Majid Al Futtaim Properties has the right to rescind certain line tenants' lease agreements in the event they do not achieve certain sales thresholds.

The fit-out of individual stores is the responsibility of the tenant subject to approval by Majid Al Futtaim Properties. Tenants are also responsible for all repairs and maintenance to their leased area over the lease period and must vacate the premises at the end of the lease period as found prior to fit-out.

Lease rental fees contain a number of fixed elements linked to the area of floor space under lease, along with a variable rent element calculated based on the tenant's gross sales. This variable rent element is automatically converted to base rent at the start of a new lease year. Each lease is negotiated separately and there is no set formula for rents applied across all tenants.

Some jurisdictions in which Majid Al Futtaim Properties has shopping malls (notably the UAE) have passed laws which limit Majid Al Futtaim Properties' flexibility to increase the rentals paid in those jurisdictions (see "*Risk Factors—Risk Factors Relating to the Group—The countries in which the Group operates may introduce new laws and regulations that adversely affect the way in which the Group is able to conduct its businesses"*).

Competition

According to the 2015 Group Financial Statements and the publicly available financial statements of Majid Al Futtaim Properties's main competitors, Majid Al Futtaim Properties is one of the largest shopping mall destination developers in the MENA region according to total asset size. However, it still faces competition from a number of real estate developers in each of the markets in which it operates. The principal competitor in the UAE, the Group's main market, is Emaar Malls Group PJSC, which opened its first shopping mall in Dubai (the Dubai Mall in November 2008. Other competing malls include the Ibn Battuta shopping mall and the Dubai Festival City shopping mall, both in Dubai, and Cairo Festival City, in Cairo.

Hotels Business Unit

The Hotels Business Unit focuses on maximising the value of existing hotels and the development of new hotels located on or adjacent to Majid Al Futtaim Properties' shopping malls. The Hotels Business Unit currently owns 12 hotels, 10 of which are located in the UAE and 2 in Bahrain.

The Hotel Business Unit's business model is to asset manage third party international hotel management companies. The Hotel Business Unit currently uses four international hotel management companies: Kempinski, Accor, Hilton and Starwood. The Hotels Business Unit enters into management agreements with the hotel management companies to provide each hotel with a brand, experienced international management and access to global distribution systems and customer networks.

The table below sets out certain information as at 31 December 2015 on the Hotels Business Unit's operating hotels.

Property	**Location**	**Total Keys**	**Star Rating**	**Average Daily Rate**[1]	**Occupancy**[2]	**RevPar**[3]
				(AED)	*(%)*	*(AED)*
Kempinski, Mall of the Emirates	Dubai	393	5	1,388	54.1	751
Sheraton, Mall of the Emirates	Dubai	481	5	901	78.6	708
Suite Novotel, Barsha	Dubai	180	4	497	76.2	379
IBIS, Barsha	Dubai	204	3	351	83.1	292
Pullman City Centre Hotel	Dubai	317	5	620	80.2	497
Pullman City Centre Residence	Dubai	132	5	786	70.5	554
Novotel, Port Saeed	Dubai	188	4	313	83.6	261
IBIS, Port Saeed	Dubai	365	3	287	81.3	233
IBIS, Rigga	Dubai	280	3	901	78.6	708
Westin, Bahrain	Bahrain	200	5	497	76.2	379
Le Meridien, Bahrain	Bahrain	260	5	351	83.1	292

Notes:
(1) Average daily rate refers to the average room rate charged by a hotel over a given period.
(2) Occupancy refers to the percentage of a hotel's rooms that are occupied over a given period.

(3) RevPAR (revenue per available room) is calculated by multiplying the average daily rate by the occupancy rate over a given period.

(4) The Hilton Garden Inn Mall of the Emirates opened on the 22nd December 2015. Due to the limited number of days open in 2015, its operating performance is not included.

(5) The Kempinski, Mall of the Emirates completed a refurbishment program in 2015. In this regard the hotel recorded a lower occupancy.

Kempinski Hotel Mall of the Emirates, Dubai

The Kempinski Mall of the Emirates, Kempinski's first hotel in Dubai, is located on Sheikh Zayed Road, at the front of the Mall of the Emirates. The hotel began operating in April 2006 and since January 2008, the hotel has been operating with a full inventory of 393 keys, including deluxe rooms, suites, ski chalets and business suites with private board rooms, some of which enjoy views over Ski Dubai. The Kempinski Mall of the Emirates includes a wellness spa, fitness centre, swimming pool and tennis court. The hotel features a number of restaurants and bars.

Sheraton Mall of the Emirates, Dubai

The Sheraton Mall of the Emirates Hotel (formerly Pullman Mall of the Emirates) was constructed adjacent to the extension of the Mall of the Emirates and opened for business in September 2010. Since 1 February 2013, this hotel has been managed by Sheraton and offers 481 keys and features two restaurants, two bars and extensive meeting facilities. Majid Al Futtaim Properties changed the operator of the former Pullman Mall of the Emirates to Sheraton Mall of the Emirates Hotel under a management agreement with Starwood Hotels & Resorts Worldwide at the beginning of 2013.

Hilton Garden Inn Mall of the Emirates:

Hilton Garden Inn Mall of the Emirates opened on the 22 December 2015. The hotel features 370 guest rooms a restaurant, café, bar, room service, 24-hour convenience shop and 124 square metres of event space. It is the first LEED Gold hotel by Majid Al Futtaim in Dubai and is the second largest Hilton Garden Inn in the world and the largest outside of America.

IBIS Barsha and Suite Novotel Barsha, Dubai

The IBIS and Suite Novotel Barsha both opened for business in June 2009 and are managed by Accor. These properties are both located in close proximity to the Mall of the Emirates. The hotel has 204 keys, a restaurant, a café, two bars and a gym. The Suite Novotel has 180 residence keys, a restaurant, bar, 24 hour Deli Boutique, a swimming pool and a fully-equipped gym.

Pullman City Centre Hotel and Residence, Dubai

The Pullman City Centre Hotel and Residence offers two distinct types of accommodation: hotel rooms and fully furnished apartments. The 317 key 5-star hotel has been operating since March 1998 and is managed by Accor. A major refurbishment and renovation programme of the Pullman City Centre Hotel was substantially completed in 2012. The Pullman City Centre Hotel includes a lounge, outdoor pool, food and beverage venues, gym and spa. The Pullman City Centre Residence, which opened in April 1998, just completed a major refurbishment, offers 133 fully-furnished and serviced studios, one and two bedroom apartments.

Novotel Port Saeed and IBIS Port Saeed, Dubai

The Novotel and IBIS Port Saeed both opened for business in November 2008 and are managed by Accor. These properties are both located in close proximity to the Deira City Centre shopping mall. This hotel cluster comprises the Hotels Business Unit's first budget/midscale hotels. The Novotel Port Saeed offers 188 keys as well as international and regional restaurants, fully licensed bars and an outdoor temperature controlled swimming pool. The IBIS Port Saeed offers 365 keys, a bistro restaurant and a bar.

IBIS Rigga, Dubai

The IBIS Rigga opened for business in March 2010. This stand-alone budget hotel, which is managed by Accor, offers 280 keys, a café, bar and a fitness centre.

Westin, Bahrain

The Westin Bahrain is a five star hotel constructed adjacent to the Bahrain City Centre shopping mall and opened for business in September 2011. Since July 2014 this hotel is managed by Westin and offers 200 keys and features three restaurants, a bar, spa and extensive meeting facilities.

Le Meridien, Bahrain

The Le Meridien Bahrain, opened for business in March 2013. This five star hotel is adjacent to the Bahrain City Centre shopping mall, offering a total of 260 keys.

In July 2014, Majid Al Futtaim Properties converted these two hotels to the Westin and Le Méridien Bahrain managed by Starwood Hotels & Resorts Worldwide replacing the Kempinski Grand and Kempinski Ixir hotels.

Hotels under development

In addition to the 12 existing hotels currently in operation three additional hotels with a total of 720 keys are under development in Dubai.

- *Aloft City Centre Deira*: this 304 key 4 star hotel is in development, will begin construction in May 2016 and is planned to open in 2018. The hotel will be directly connected to the City Centre Deira.

- *Hilton City Centre Mirdif.:* This 161 key 5 star hotel is in development, will begin construction in 2017 and is planned to open mid-2019. The hotel will be directly connected to the City Centre Mirdif.

- *Hilton Garden Inn City Centre Mirdif:* this 255 key four-star hotel is in development, will begin construction in 2017 and is planned to open mid-2019. The hotel will be directly connected to the City Centre Mirdif.

Majid Al Futtaim Properties has entered into the following agreements for the management of its hotels:

- ***Management agreements with Kempinski.*** Under the terms of a management agreement dated 23 December 2003, Kempinski was appointed as the exclusive operator and manager of the Kempinski Hotel at Mall of the Emirates. Kempinski is entitled to receive the following fees in accordance with the terms of this management agreement: (i) incentive fee; (ii) central services fee; (iii) marketing cost contribution; and (iv) royalty.

- ***Management agreements with Accor S.A.*** Under individual management agreements, Majid Al Futtaim Properties has appointed Accor S.A. to operate and manage some of its hotels located in Dubai. The dates of such management agreements are as follows: Novotel Port Saeed and IBIS Port Saeed, 20 December 2006; IBIS Rigga, 25 January 2007; IBIS Barsha and Suite Novotel Barsha, 20 December 2006; Pullman City Centre Hotel and Residence, 1 March 2009. Accor S.A. is entitled to receive the following fees in accordance with the terms of these management agreements: (i) basic management fee; (ii) license fee; (iii) incentive management fee; and (iv) reservation fee.

- ***Management agreements with Starwood.*** Under individual management agreements, Majid Al Futtaim Properties has appointed Starwood to operate and manage some of its hotels located in Dubai and Bahrain. Under a management agreement dated 29 November 2012 Starwood was appointed to manage and operate the Sheraton Mall of the Emirates and is entitled to receive the following fees in accordance with the terms of the above agreement: (i) base fee; (ii) incentive fee; (iii) license fee; and (iv) centralised service charges. Under a management agreement dated 24 March 2014 Starwood was appointed to manage and operate two hotels in Bahrain, the Westin and

Le Meridien and is entitled to receive the following fees in accordance with the terms of the above agreement: (i) base fee; (ii) incentive fee; (iii) license fee; and (iv) centralised services charge. Under a management agreement dated 31 March 2015 Starwood was appointed to manage and operate Aloft Deira City Centre and is entitled to receive the following fees in accordance with the terms of the above agreement: (i) base fee; (ii) incentive fee; (iii) license fee; and (iv) centralised services charge.

- ***Management agreements with Hilton International Manage LLC..*** Under a management agreement dated 4 May 2014 Hilton was appointed to manage and operate the Hilton Garden Inn Mall of the Emirates. Hilton is entitled to receive the following fees in accordance with the terms of this management agreement: (i) development services fee, for the services provided by Hilton during the development stage of the hotel; (ii) reservation fee; (iii) license fee; (iv) management fee; and (iv) group services and benefits charge. Under management agreements each dated 7 March 2016 Hilton was appointed to manage and operate the Hilton and Hilton Garden Inn Mirdif City Centre, two new hotels under development. Hilton is entitled to receive the following fees in accordance with the terms of this management agreement: (i) development services fee, for the services provided by Hilton during the development stage of the hotel; (ii) reservation fee; (iii) license fee; (iv) management fee; and (iv) group services and benefits charge.

Marketing

Pursuant to the terms of the management agreements with Kempinski, Accor and Starwood Hotels & Resorts Worldwide and Hilton Worldwide, each relevant manager is responsible for all marketing activities related to the hotels they manage. See "*—Hotel management agreements*".

Competition

The hotels managed by the Hotels Business Unit face competition from a number of existing hotel operators and developers in the region as well as new market entrants. Dubai continues to be the most desirable destination in Middle East and the preferred choice for hotel operators, which is demonstrated by an influx of new hotel openings during 2015. Over the next five years, the hotel supply is expected to increase at 4.3 per cent compound annual growth rate ("**CAGR**") increasing the supply from 77,200 to 102,300 keys. Due to strong market fundamentals as the hotel markets mature in Dubai, the demand is expected to also continue to grow at approximately 3.2 per cent CAGR. According to STR Global, hotel occupancy rates in Dubai decreased to 76.9 per cent in 2015 from 78.7 per cent in 2014 and average hotel room rates decreased by approximately 7.5 per cent in 2015 from 2014.

Communities Business Unit

The Communities Business Unit was established to develop sites containing a mix of residential and commercial properties throughout the MENA region. The Communities Business Unit is also responsible for managing Majid Al Futtaim Properties' portfolio of three office buildings in Dubai. The Communities Business Unit is currently involved in developing a mixed-use joint venture in Lebanon, and is the joint venture partner with the Governments of Oman and Sharjah for two further master-planned communities as described below.

Waterfront City, Beirut, Lebanon

The Group has invested in a 50/50 joint venture with a Lebanese company, Joseph G. Khoury Holdings & Fils S.A.L. The joint venture owns around 193,700 square metres of reclaimed land surrounding a marina located in Dbayyeh, 15 kilometres north of central Beirut in Lebanon. The mixed-use development, called Waterfront City, will be completed by the joint venture in a number of phases. The first phase includes the development of 388 residential units along with 48 retail units – food and beverage outlets and other retail outlets directly overlooking the marina, in addition to an indoor and outdoor gym of 4,561square metres. Phase 1 was launched in July 2011 and construction started in 2012. The next phase was launched in May 2013 and consists of 282 residential units aimed at broadening the depth of the products on offer. Construction started in April 2015. Phase 3 includes the development of the business park with 12 low rise buildings and retails component, separated in two super plots each of 6 buildings. The Business Park (first 6 buildings out of 12) was launched in February 2014 and achieved 36 per cent. off-plan sales to date. Enabling works are completed and main construction is planned to start in June 2016. All the phases are expected to be funded by off-plan strata sales executed by a local Majid Al Futtaim team. Other offerings consist of a five star hotel and branded residential. The company's strategy is to retain the retail components in Waterfront City for leasing and asset management.

Al Mouj, Muscat, Oman

Located close to Muscat, the capital city of Oman, Al Mouj Muscat is a mixed-use development project occupying a total area of 2.5 million square metres along over six kilometres of natural beach. Al Mouj Muscat is being developed as a joint venture between the Oman-based Waterfront Investments, Oman National Investments Development Company, representing the Omani pension funds, and Majid Al Futtaim Properties, which holds 50 per cent. of the joint venture entity called Al Mouj Muscat SAOC ("**Al Mouj JV**"). Al Mouj JV has been established as an independent joint venture that has its own employees and operations, with Majid Al Futtaim Properties having 50 per cent. voting powers and representation on the board. Al Mouj Muscat have launched and sold 2,168 units to date out of a total of 5,949 units planned for the project. Al Mouj JV does not require funding from Majid Al Futtaim Properties and is financed independently, including through the receipt of advance cash payments for the sale of units which are currently being used to finance construction of further development work.

Al Zahia and Matajer, Sharjah Holding, UAE

Located close to Sharjah University City, Sharjah International Airport, SAIF Zone and the major road links to Dubai and the Northern Emirates, Al Zahia is an integrated mixed-use community, featuring a range of villas, apartments and commercial units. Al Zahia is being developed under Sharjah Holding, a 50/50 joint venture between the Government of Sharjah and Majid Al Futtaim Properties. Phase 1 of the development was completed and handed over in 2014.

Currently Phase 2 comprising of 197 villas is under construction and expected to be completed by the third quarter of 2016. Additionally, Phase 3 comprising of 233 villas and 342 garden apartments was launched in the first quarter of 2015. Construction is expected to commence in the second half of 2016.

In addition to Al Zahia, Sharjah Holding is developing a range of Matajer community shopping malls in the Emirate of Sharjah. As at 31 December 2015, Sharjah Holding owned and operated 4 Matajer malls with a gross leasable area of over 15,600 square metres.

Other property

In addition to the properties described above, the Communities Business Unit is responsible for the development of land, which is designated as investment property with no immediate construction plan or planned sales to third parties. Majid Al Futtaim Properties has not yet initiated the project development phase for these properties, and therefore, appropriate Board approvals have not yet been received and financing has not yet been secured for the development of these projects.

In addition to its land bank held for development, the Communities Business Unit is responsible for managing Majid Al Futtaim Properties' portfolio of three office buildings in Dubai, which are fully or partially occupied by the Group and the remainder is leased to third parties.

MAJID AL FUTTAIM RETAIL

Overview

The Group first introduced the hypermarket model to the Middle East in 1995 under a partnership with Promodes S.A. ("**Promodes**") using the brand "Continent". A joint venture agreement with Promodes established Majid Al Futtaim Hypermarkets, a joint venture company 75 per cent. owned by the Group and 25 per cent. owned by Promodes. In 2000, Promodes merged with Carrefour and the joint venture agreement was updated and amended. Over the past 40 years, France's Carrefour group has grown to become one of the world's leading distribution groups. As the world's second-largest retailer and the largest in Europe (according to the Carrefour website), the Carrefour group currently operates four main grocery store formats: hypermarkets, supermarkets, hard discount and convenience stores. In May 2013, Majid Al Futtaim Holding entered into an agreement with Carrefour France SA whereby Majid Al

Futtaim Holding acquired Carrefour France SA's 25 per cent. interest in Majid Al Futtaim Hypermarkets and further agreed to extend the franchise agreement in place between the two parties until 2025 (see *"—Agreements with Carrefour"* for more detail).

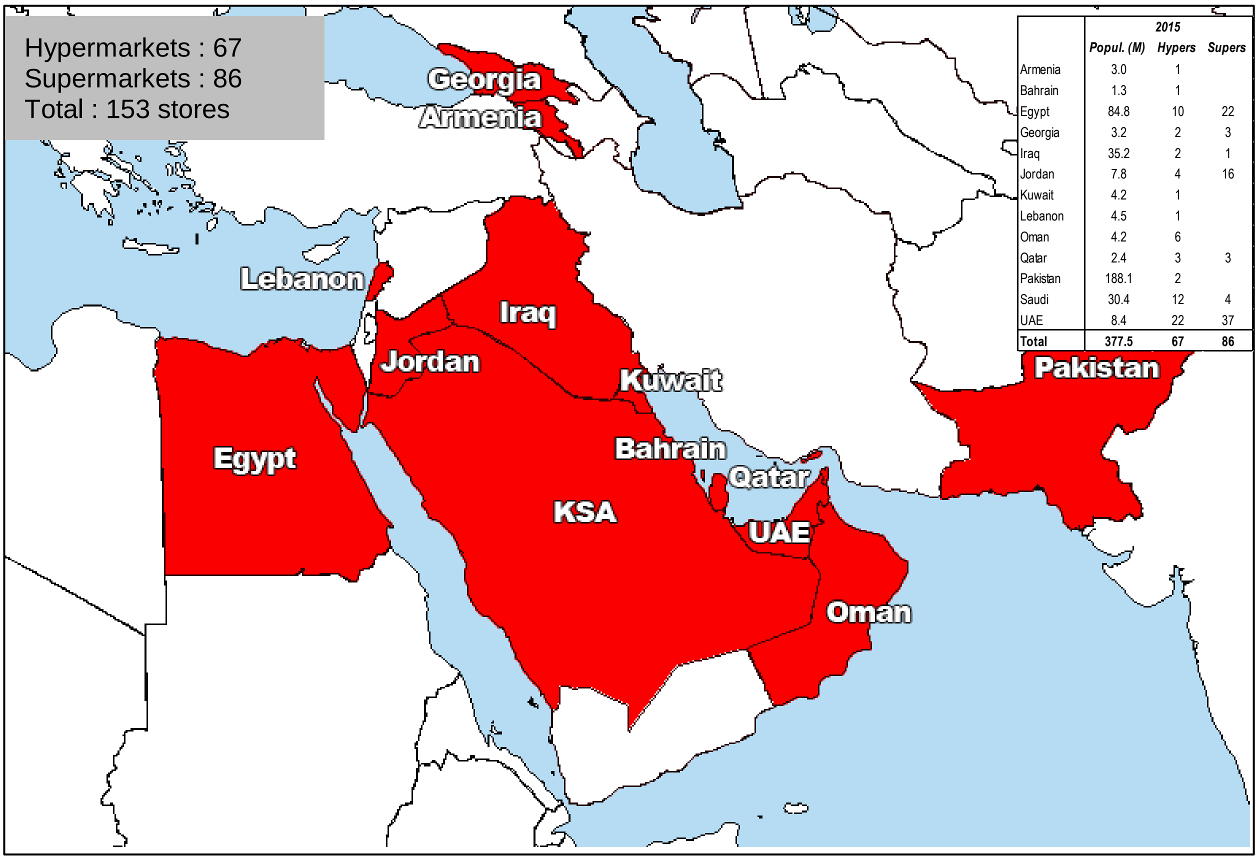
Pursuant to the franchise agreement with Carrefour, Majid Al Futtaim Hypermarkets currently has the exclusive right to establish Carrefour stores in 38 countries predominantly in the Middle East, Africa and Commonwealth of Independent States (the "**CIS**") regions. The franchise agreement was recently extended to expand Majid Al Futtaim Hypermarket's use of the Carrefour brand into new jurisdictions and in new formats (see *"—Agreements with Carrefour"*). As at 31 December 2015, Majid Al Futtaim Retail had expanded the Carrefour concept across the UAE and into Bahrain, Egypt, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Iraq, Georgia, Lebanon and Armenia. Following the extension of the franchise agreement in May 2013, Majid Al Futtaim Retail has the ability to expand the Carrefour concept into new jurisdictions, predominantly across Africa and the CIS. As at 31 December 2015, Majid Al Futtaim Retail operated 67 Carrefour hypermarkets and 86 Carrefour supermarkets store across the MENA region and also operates an online store (www.carrefouruae.com), principally selling light and heavy household goods for delivery within the UAE.

Majid Al Futtaim Retail initially opened Carrefour supermarkets in 2007 on a trial basis in the UAE in an attempt to take advantage of its large store network and the regional suburban demand for smaller stores allowing easier access to the local population. Majid Al Futtaim Retail has rolled out the new format in three sizes, ranging from approximately 500 square metres to 2,500 square metres, depending on factors including target product range, population density and catchment area. The Carrefour supermarkets focus mainly on food products, with food sales contributing approximately 92.2 per cent. of total sales per year.

Majid Al Futtaim Retail's workforce of more than 24,327 employees processed almost 176 million transactions at its Carrefour stores in 2015, resulting in sales of AED20,360 million for the year (excluding fees and commissions which amounted to AED1,715 million).

The following map shows the location of Majid Al Futtaim Retail's Carrefour hypermarkets and supermarkets as at 31 December 2015.

The territory population: 378 million inhabitants



	2015		
	Popul. (M)	Hypers	Supers
Armenia	3.0	1	
Bahrain	1.3	1	
Egypt	84.8	10	22
Georgia	3.2	2	3
Iraq	35.2	2	1
Jordan	7.8	4	16
Kuwait	4.2	1	
Lebanon	4.5	1	
Oman	4.2	6	
Qatar	2.4	3	3
Pakistan	188.1	2	
Saudi	30.4	12	4
UAE	8.4	22	37
Total	**377.5**	**67**	**86**

Majid Al Futtaim Retail had revenue of AED22,076 million and EBITDA of AED1,178 million during the financial year ended 31 December 2015 as well as assets of AED5.7 billion as at 31 December 2015, equal to 80.6 per cent., 30.7 per cent, and 11.2 per cent, respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2015. Majid Al Futtaim Retail had revenue of AED20,578 million and EBITDA of 1148 million in 2014 as well as assets of 5.3 billion at 31 December 2014 equal to 81.4 per cent., 32.0 per cent., and 11.8 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2014.

Strategy

Majid Al Futtaim Retail aims to establish Carrefour as the hypermarket store of choice for consumers throughout the MENA region. Majid Al Futtaim Retail aims to offer the cheapest products through utilising a portion of the rebates it receives from suppliers to reduce prices and by maintaining a low level of commercial margin. Accordingly, Majid Al Futtaim Retail aims to offer the best quality at an affordable price and the widest possible range of both local and international products to meet customer demand.

Majid Al Futtaim Retail intends to continue to focus on the hypermarket format (with an average of 8,000 square metres of selling space) and smaller store formats to fill market gaps. See "—*Store Rollout and development strategy*". Majid Al Futtaim Retail is also focused on further developing private-label products in conjunction with Carrefour and increasing the proportion of such products in its sales mix.

In order to further enhance our customer experience, Majid Al Futtaim Retail has launched a project, which comprises digitalisation of the customer relationship using web applications, two-channel selling of electronic products: online and in-store, and on-line ordering of food products.

Finally, management believes that Majid Al Futtaim Retail's growth, coupled with its strong relationship with Carrefour, will allow it to take advantage of Carrefour's reputation internationally and further improve its purchasing power from international suppliers.

Agreements with Carrefour

In 1995, the Group entered into a joint venture agreement with Promodes, now part of the Carrefour group, creating Majid Al Futtaim Hypermarkets which was initially 75 per cent. owned by Majid Al Futtaim Retail. Pursuant to a separate franchise agreement, Majid Al Futtaim Hypermarkets initially became the exclusive franchisee of Carrefour for 15 countries in the MENA region — Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Pakistan, Qatar, Saudi Arabia, Syria, UAE and Yemen. Under the terms of the franchise agreement, Carrefour provides trade signs, operating procedures and know-how (particularly in relation to hypermarket design, quality, health and safety standards and administration), assistance in supply chain management as well as access to product sourcing networks and training. In addition Carrefour is responsible for the sourcing of its private-label products, "Carrefour" and "N1".

On 31 May 2011, the management of each of Majid Al Futtaim Retail and Carrefour agreed to the extension of the franchise agreement between Majid Al Futtaim Hypermarkets and Carrefour to four countries in the CIS: Armenia, Azerbaijan, Georgia and Kazakhstan. An amended franchise agreement reflecting these arrangements was entered into on 6 July 2011.

Majid Al Futtaim Holding entered into an agreement dated 22 May 2013 with Carrefour France SA (the "**Sale and Purchase Agreement"**) whereby Majid Al Futtaim Holding acquired Carrefour France SA's 25 per cent. ownership interest in Majid Al Futtaim Hypermarkets for a consideration of AED2,555 million (the "**Acquisition"**). The Acquisition became effective on 25 June 2013.

The Acquisition did not have a material impact on the financial position of the Group as Majid Al Futtaim Hypermarkets was, prior to completion of the Acquisition, a fully consolidated subsidiary of Majid Al Futtaim Holding for accounting purposes, save that, as the purchase consideration was higher than 25 per cent. of the net assets of Majid Al Futtaim Hypermarkets, the Acquisition resulted in a reduction in shareholders' equity in accordance with IFRS of approximately AED2.1 billion on a Group consolidated basis. The impact of such reduction was substantially offset by an issuance of hybrid bonds, the proceeds of which were used to refinance the indebtedness incurred to finance the purchase price for the Acquisition and the hybrid bonds received full equity accounting treatment in accordance with IFRS.

In addition, Majid Al Futtaim Hypermarkets and Carrefour France SA have agreed to extend the franchise agreement currently in place between the two parties. The revised franchise agreement extends Majid Al Futtaim Hypermarket's use of the Carrefour brand name until 2025 and provides Majid Al Futtaim Hypermarkets with the opportunity to expand its use of the Carrefour brand into new jurisdictions (predominantly in Africa and in certain jurisdictions within the CIS) and in new formats (such as, for example, in relation to convenience stores and cash-and-carries) across the regions in which the Group currently operates.

Majid Al Futtaim Retail has agreed, for the duration of the franchise agreement, not to utilise any know-how gained in the operation of independent hypermarkets or supermarkets and is not permitted to sell the products of any of Carrefour's competitors.

Carrefour charges Majid Al Futtaim Retail a franchise fee based on sales made. Majid Al Futtaim Retail is responsible for the day-to-day operation of each store, seeking approval from Carrefour for new store openings and new country entry.

Current operations

UAE, Qatar, Oman, Kuwait and Bahrain

Majid Al Futtaim Retail opened its first Carrefour hypermarket in 1995 in the Deira City Centre shopping mall in the UAE. Subsequently, it opened its first hypermarket in Qatar in 2000, in Oman in 2001, in Kuwait in 2007 and in Bahrain in 2008. The Carrefour hypermarket in the Mall of the Emirates, which opened in 2005, is Majid Al Futtaim Retail's largest hypermarket. As at 31 December 2015, Majid Al Futtaim Retail had 22 hypermarkets in the UAE, 3 in Qatar, 6 in Oman, one in Kuwait and one in Bahrain and a total of 40 Carrefour supermarkets in the five countries.

Egypt

Majid Al Futtaim Retail opened its first Carrefour hypermarket in Egypt in 2002. The hypermarket is located in the Maadi City Centre shopping mall in Cairo, the most populous city in the Arab world. As at 31 December 2015, Majid Al Futtaim Retail had 10 Carrefour hypermarkets and 22 Carrefour supermarkets in Egypt.

Saudi Arabia

Majid Al Futtaim Retail entered Saudi Arabia in 2004 with its first Carrefour hypermarket on Khurais Road in Riyadh. As at 31 December 2015, Majid Al Futtaim Retail had 12 Carrefour hypermarkets and 4 Carrefour supermarkets in Saudi Arabia.

Other countries

Majid Al Futtaim Retail was the first hypermarket chain entrant into Jordan when it opened a Carrefour hypermarket within the Amman Mall in December 2006. In 2009, Majid Al Futtaim Retail opened a hypermarket in Pakistan followed by Iraq and Georgia in 2012 and Lebanon in 2013 and the first hypermarket opened in Armenia during the year 2015. As at 31 December 2015, Majid Al Futtaim Retail has a total of 12 hypermarkets and 20 supermarkets in these six countries

Development pipeline

Majid Al Futtaim Retail plans to open 11 Carrefour hypermarkets (one store each in Oman, Qatar, Egypt, Saudi Arabia and Kazakhstan two each in Iraq, Pakistan and Kenya) and 14 Carrefour supermarkets in 2016.

Operational leases

Majid Al Futtaim Retail currently leases the properties on which it operates Carrefour stores. Properties are leased from both Majid Al Futtaim Properties and, if applicable in order to gain quicker access to a target market, third-parties, including third-party shopping mall developers. As at 31 December 2015, 13 hypermarkets and 1 supermarket were leased from Majid Al Futtaim Properties, with the remaining 54 hypermarkets and all 85 supermarkets leased from third parties.

It takes approximately six months for Majid Al Futtaim Retail to open a new hypermarket from the point at which the store is handed over and, in the case of hypermarkets located in shopping malls, it can take up to two and a half years to develop the mall in which the hypermarket is to be located from the point at which Majid Al Futtaim Retail commits to lease the store. In the case of supermarkets, it takes around four months to carry out refurbishment works and around two months to obtain necessary licenses and approvals. Majid Al Futtaim Retail prefers to lease sites for its Carrefour stores to ensure a faster time to market and to expedite the return on its investment. However, Majid Al Futtaim Retail will consider other options, such as owning a limited number of properties or leasing land and constructing a store, where it determines that it is more commercially viable to do so.

Majid Al Futtaim Retail aims to maintain long-term lease agreements (typically with terms of approximately 20 years for hypermarkets and approximately 10 years for supermarkets). As at 31 December 2015, the average lease period for its hypermarkets was approximately 20 years and for its supermarkets was approximately 10 years. Under most of the lease agreements, Majid Al Futtaim Retail has a conditional right to renew the lease subject to agreement on lease terms and retains termination rights at certain points during the lease.

Majid Al Futtaim Retail undertakes refurbishment of its hypermarkets approximately every seven to ten years. In addition, store managers are responsible for reviewing and analysing inventory turnover and consumer trends, in order to plan potential changes to the store layout.

Store rollout and development strategy

Majid Al Futtaim Retail has created a development team to oversee the rollout of its Carrefour store network. The development team has representatives covering the countries in which Majid Al Futtaim Retail traditionally operates. Development within the new countries is managed by the head office development team with local management support. These development teams identify store location opportunities and negotiate with local suppliers and are supported by Majid Al Futtaim Retail country managers who are present in all countries of the region.

When rolling out a new store, the local development teams (under the supervision and with the support of the head office development team) are responsible for sourcing suitable real estate, negotiating lease or purchase agreements, conducting tenders for construction and installation services, store design and store launch. They also co-ordinate contacts with the external parties involved in the rollout process such as real estate agents, licensing authorities, lawyers and construction companies. There is a close dialogue between the regional teams and the Majid Al Futtaim Retail head office, although significant responsibility is given to the regional teams to facilitate efficient decision making. However, all important decisions require the involvement of the head office development team and Majid Al Futtaim Retail's legal and finance departments and significant financial commitments require approval by the Majid Al Futtaim Retail CEO or Board, depending on the size of the commitment.

Majid Al Futtaim Retail Board approval is required prior to entering into a new store project and a new geographical market. When considering a new geography, the head office development team first seeks to identify appropriate locations and conducts all necessary diligence, including commissioning a third party consultant approved by Carrefour in its capacity as franchisor, to estimate future sales for each proposed site. Based on the results of the diligence, the development team prepares a feasibility study which, among other matters, considers the financial criteria which are required to be met (including (i) a positive net present value of the expected cash flows from the investment for the period of the lease and (ii) an internal rate of return and return on capital employed in excess of the country return objective set by Majid Al Futtaim Retail). Majid Al Futtaim Retail evaluates potential store feasibility based on projected cash flows for the proposed lease period, which depend on factors such as current population, catchment area, customer access to the hypermarket, potential rate of urbanisation and existing and planned competing properties. The feasibility study is reviewed by the Investment Committee (which comprises the CEO, Head of Development, Executive Regional Director, CFO and General Counsel) and the CEO of Majid Al Futtaim Retail and, if approved, is then submitted to the Majid Al Futtaim Retail board for final approval. Projects for supermarkets involving capital expenditure of less than AED10 million are approved by the Majid Al Futtaim Retail CEO, otherwise such projects are approved by the Majid Al Futtaim Retail board.

Following completion of a development, an annual review process for each store is conducted. Among other matters, results to date, the latest five-year plan and a conservative projection to cover the full lease period are considered. The return and profitability key performance indicators are compared with those identified at the initial project approval stage and the results of each review are presented to the Majid Al Futtaim Retail board.

Typically, Majid Al Futtaim Retail's Carrefour hypermarkets are the anchor tenants of choice for Majid Al Futtaim Properties' shopping mall developments. However, Carrefour hypermarkets and supermarkets are also located outside Majid Al Futtaim Properties shopping malls in order to support the expected growth of Majid Al Futtaim Retail.

Product range and quality control

Product range

Majid Al Futtaim Retail's Carrefour hypermarkets stock five categories of products: consumer, market, light household, textile and heavy household goods. Consumer goods are all food products excluding fresh produce; market goods are fresh produce; light household goods are non-food household products falling outside the heavy household category; textile goods are principally clothing and linen merchandise; and heavy household goods consist of large appliances and electronic goods. For the year ended 31 December 2015, food products and non-food products accounted for 63 per cent. and 37 per cent., respectively, of Majid Al Futtaim Retail's total sales.

Depending on the size of the individual store, Majid Al Futtaim Retail's Carrefour hypermarkets stock between 35,000 and 45,000 stock keeping units ("**SKUs**") per store. The SKUs stocked in a particular store include mandatory items selected centrally by the relevant country head office sourcing team and products chosen locally by the store's management to ensure the range of products offered is adapted to suit local tastes. As a result, the range of products varies from store-to-store, depending on preferences within a local catchment area, including various ethnic groups' needs.

Majid Al Futtaim Retail's merchandise strategy is aimed at standardising its range of products and optimising its ability to satisfy customer preferences. Based on monthly analyses of results and other relevant data (including competition data, loyalty data and periodic customer feedback), it sets objectives and modifies parameters, including store layout, range and price. Individual stores are then charged with adjusting accordingly the mix of products, prices, products on promotion and the location of products within the store.

A portion of Carrefour hypermarkets' SKUs are private label brands. The private label brands developed by Carrefour include "N1", "Carrefour" and "reflects de France". Majid Al Futtaim Retail intends to increase the proportion of the private label items in its sale mix.

Majid Al Futtaim Retail develops private label brand products in partnership with Carrefour, identifying product specifications based on consumer preferences. All of the private label products must adhere to the Carrefour group's strict quality standards, and Majid Al Futtaim Retail and Carrefour work together to ensure quality control.

Quality control

Majid Al Futtaim Retail has implemented an audit control system for its market goods and private label items. The audit control system covers staff training and audits of suppliers, stores and products within the GCC. Majid Al Futtaim Retail has appointed several companies to perform audits according to targets set by its management team. Approximately 62 per cent. of Majid Al Futtaim Retail's stores have received Hazard Analysis and Critical Control Points ("**HACCP**") certification or an equivalent ISO certification. The stores without HACCP certification are new and are in the process of gaining such certification, which is a time-consuming process. HACCP is a systematic preventive approach to food safety that addresses physical, chemical and biological hazards as a means of prevention rather than finished product inspection. HACCP is used in the food industry to identify potential food safety hazards, so that key actions can be taken to reduce or eliminate the risk of the hazards being realised. The system is used at all stages of food production and preparation processes.

Supply chain, procurement, inventory and distribution

Supply chain and procurement

Majid Al Futtaim Retail uses Carrefour's logistics network in East Asia to source products for its N1 and Carrefour private label brands and for limited non-food items, allowing Majid Al Futtaim Retail to leverage Carrefour's own purchasing power.

For all other products, Majid Al Futtaim Retail's central procurement team is responsible for producing an annual list of preferred suppliers by product category. These suppliers are ranked based on performance using benchmarking reports. In order to keep the supplier list relevant and manageable, the central procurement team considers the range required for each product type, as well as the target selling price. If a certain product line has not been selling well, the number of suppliers listed will be reduced to reflect the reduced demand or only those suppliers which offer goods at competitive prices will be listed. Individual store managers can suggest potential new suppliers to the central sourcing and procurement department. However, the final decision on whether to add a proposed supplier to the list is taken centrally.

The majority of supplier contracts are negotiated and entered into at the local level based on the supplier list. Negotiations and execution of supplier contracts with certain key suppliers are carried out by the central sourcing team. These suppliers tend to provide key imported branded products which are sold in large quantities across all regions allowing Majid Al Futtaim Retail to secure favourable terms due to its purchasing power. See *"—Rebates and supplier benefits"*.

With increasing volumes of imports, Majid Al Futtaim Retail has decided to further improve the trade conditions and purchase prices through direct import rather than through intermediaries in some markets. In 2012 and 2014, respectively, Majid Al Futtaim Retail opened representative offices in Bangkok, Thailand and Istanbul, Turkey in order to enter into trade arrangements and better coordinate a procurement process with local suppliers in Asia. In 2013, Majid Al Futtaim Retail set up a trading company in Hong Kong, China with the intention of targeting the private label product of the non-food departments. First deliveries to Majid Al Futtaim Retail stores through these new channels were made in the second half of 2013.

Inventory

Inventory management is a store-managed process. Store requirements are assessed at each individual store and orders are placed directly with suppliers. Order quantities are based on a minimum order level set for each SKU and an order is raised automatically once this minimum quantity has been triggered in-store. All purchase orders require authorisation from an appropriate level before being sent to suppliers.

Physical inventory counts are performed for all stores every three to six months (depending on the country in which the store is located), with sections counted on a rotational basis in between as well. Certain high value items at greater risk of theft are counted weekly or monthly. Majid Al Futtaim Retail uses the same inventory system used by Carrefour in its hypermarkets for managing store inventory. When goods arrive, the inventory system is automatically updated and Majid Al Futtaim Retail's accounting system captures invoices upon receipt. Inventory days in Majid Al Futtaim Retail's Carrefour hypermarkets have remained relatively constant over the three years to 31 December 2015.

Distribution

Deliveries are predominantly made directly to stores and the logistical costs of transport are usually borne by the distributor, but included within the purchase cost price. A small proportion of purchases are delivered to distribution centres managed by third party distributors before distribution to stores. These goods tend to be centrally purchased imported goods and private label Carrefour products. The third-party central warehouse facilities also provide storage space for Carrefour supermarkets due to the limited storage capacity available at each supermarket.

Rebates and supplier benefits

Due to its increased buying power across each region as its store portfolio expands, Majid Al Futtaim Retail is able to secure rebates and other supplier benefits from both its local distributors and its brand suppliers. Majid Al Futtaim Retail negotiates a number of different types of rebates and other benefits with its suppliers, generally on an annual basis at a regional level, although negotiations with some of the larger branded importers are conducted centrally. Fixed rebates are obtained on a yearly basis based on an agreed fixed percentage of supplier turnover. Volume discounts are obtained on yearly purchase values by brand or supplier. Other types of benefits include fees charged to suppliers for promotional activities, displays, advertising space, new range and additional shelf space. Rebates and supplier benefits represent a significant driver of Majid Al Futtaim Retail's revenue. A portion of the rebate gains are reinvested in the business to allow Majid Al Futtaim Retail to maintain its prices at competitive levels.

Pricing policy

In line with Carrefour's pricing policy, Majid Al Futtaim Retail's business philosophy is to offer its customers the products they want at a competitive price. Management aims to keep prices below those of its competitors by leveraging its market share to achieve volume-based rebates on its supply orders.

Typically, with the exception of promotional items, selling prices for non private-label SKUs are managed at the store level. The Majid Al Futtaim Retail head office sourcing team is responsible for setting prices for all private label SKUs and national promotion items. At the supermarkets level, a more centralised pricing approach has been introduced.

To ensure its Carrefour hypermarket SKUs are priced competitively, Majid Al Futtaim Retail regularly monitors prices through third party service providers. Additional price surveys are carried out as needed by store clusters according to the competition context, for example in connection with entering a new market or the introduction of a new competitor to one of its existing markets.

Advertising and marketing

For Majid Al Futtaim Retail, customer growth is the most important aspect of sales growth and its marketing effort is, accordingly, focused towards this end. In addition to traditional newspaper, magazine, radio and television advertising, Majid Al Futtaim Retail delivers leaflets door-to-door to local households as well as extending the use of the internet, social media and mobile communication. Majid

Al Futtaim Retail also conducts co-branded advertising whereby a supplier pays to promote new items or a range of products in conjunction with Majid Al Futtaim Retail. In addition, Majid Al Futtaim Venture's Najm Visa credit card, which Majid Al Futtaim Retail actively promotes in its Carrefour hypermarkets, features a loyalty programme that offers its customers up to 4 per cent. cash back on their purchases.

Competition

Majid Al Futtaim Retail faces competition from international, regional and local retailers. The competition from international retailers is limited as the only major grocery retailer which has a multi-country and multi-store presence in the region where Majid Al Futtaim Retail operates is Carrefour, and the Group's contractual arrangements with Carrefour mean that it does not compete with Majid Al Futtaim Retail in the countries in which Majid Al Futtaim Retail operates.

Majid Al Futtaim Retail's main regional competitors (being those with a presence in a number of countries in which Majid Al Futtaim Retail operates) are Lulu (Emke Group), Spinneys, Panda (Savola Group) and The Sultan Center. The Group believes that Majid Al Futtaim Retail faces moderate competition from these entities on a regional basis. Majid Al Futtaim Retail's local competitors vary depending on the country concerned and the level of competition from these competitors also varies in each country. Certain of the regional competitors are also local competitors in individual countries, for example Majid Al Futtaim Retail's main competitors in the UAE are Union Cooperative, Lulu and Spinneys, in Saudi Arabia is Panda and Al Othaim, in Egypt is Metro, in Qatar Al Meera, in Jordan Sameh Mall and The Sultan Center, while in Kuwait is the Sultan Center.

MAJID AL FUTTAIM VENTURES

Overview

Majid Al Futtaim Ventures operates the Group's:

- VOX Cinemas, through Majid Al Futtaim Cinemas;
- Leisure and Entertainment services, including Magic Planet, Lego, Aqua Play, Yalla Bowling, Ski Dubai, Wahoo, Little Explorers and iFly, through Majid Al Futtaim Leisure and Entertainment LLC ("**Majid Al Futtaim Leisure and Entertainment**");
- Financial services, including the Najm Visa credit card, Voyager credit card and pre-paid cards, through Majid Al Futtaim Finance;
- Fashion retailing, through Majid Al Futtaim Fashion LLC ("**Majid Al Futtaim Fashion**");
- Healthcare services, through Majid Al Futtaim Healthcare LLC ("**Majid Al Futtaim Healthcare**");
- Commercial premises facilities management, through ENOVA by VEOLIA (previously known as Majid Al Futtaim Dalkia Middle East LLC ("**Majid Al Futtaim Dalkia**")); and
- Facility and restaurant management services, through Majid Al Futtaim Food and Beverages LLC. In 2013, Majid Al Futtaim Ventures incorporated Majid Al Futtaim Food and Beverages LLC, a wholly owned subsidiary investing in facility and restaurant management services, which acquired a 50.66 per cent. shareholding in a joint venture company 'Gourmet Gulf Co. LLC' in July 2013.

In addition, Majid Al Futtaim Ventures serves as the business division through which the Group will seek to develop, in partnership with other international and regional businesses where appropriate, new retail and financial products and services that are designed to complement and leverage the success of the existing businesses of the Group.

The following table sets out details of the businesses operated by Majid Al Futtaim Ventures as at 31 December 2015:

Business	Date Established	% Contribution to Majid Al Futtaim Ventures' Revenue	Partner Name	Majid Al Futtaim Ventures' Ownership Share
Majid Al Futtaim Cinemas.............	1999	44%	—	100%
Majid Al Futtaim Leisure and Entertainment………………………	1995	21%[1]	—	100%
Majid Al Futtaim Finance…...........	2008	15%	—	100%
Majid Al Futtaim Fashion…...........	2005	18%	—	100%
Majid Al Futtaim Healthcare..........	2011	2%	—	100%
ENOVA by VEOLIA *(previously known as Majid Al Futtaim Dalkia)..*	2002	—[2] 1	Veolia (49%)	51%
Majid Al Futtaim Food and Beverages……………………	2013	—[3] 2	—	100%

Note:

(1) Contribution does not include revenue of AED288 million from ULOs being operated by Majid Al Futtaim Ventures (owned by Majid Al Futtaim Properties) through its subsidiary Majid Al Futtaim Leisure and Entertainment.

(2) Accounted for as an associate in 2015.

(3) Majid Al Futtaim Food and Beverages LLC holds 50.66 per cent. in Gourmet Gulf Co. LLC along with Daud Arabian Trading (which holds 49.34 per cent.). The company was accounted for as a joint venture in 2015.

Majid Al Futtaim Ventures had revenue of AED1,438 million and EBITDA of AED186 million for the financial year ended 31 December 2015 as well as assets of AED2,421 million as at 31 December 2015, equal to 5 per cent., 5 per cent. and 5 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2015. By comparison, Majid Al Futtaim Ventures had revenue of AED1,074 million and EBITDA of AED152 million in 2014 as well as assets of AED1,544 million as at 31 December 2014, equal to 4 per cent., 4 per cent. and 3 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2014.

Wholly-owned businesses

Majid Al Futtaim Ventures categorises its portfolio companies as wholly-owned businesses and investments in Joint Ventures. Majid Al Futtaim Ventures' wholly-owned businesses are:

Majid Al Futtaim Cinemas

Majid Al Futtaim Cinemas was originally established in 1999 as a joint venture between Greater Union Holdings, a leading Australian international cinema, entertainment and leisure group, and Majid Al Futtaim Ventures. In 2010, Majid Al Futtaim Ventures acquired the 49 per cent. shareholding of its joint venture partner and became the sole owner of Majid Al Futtaim Cinemas. At 31 December 2015, Majid Al Futtaim Ventures operated sixteen cinemas with a total of 182 screens across the region. Each of the 182 auditoria features state-of-the-art sight and sound technology, digital projectors and stadium-style seating arrangements. Each cinema also has a candy bar offering a range of drinks and snacks and extended dining offerings. During the year 2015, Majid Al Futtaim Cinemas introduced a new concept "Theatre by Gary Rhodes" in Mall of Emirates. Most of the cinemas are located in shopping malls, nine of which are owned by Majid Al Futtaim Properties.

Majid Al Futtaim Cinemas typically serves as a Group shopping mall anchor tenant in the super-regional malls where the cinema complex is generally located in close proximity to the unique leisure offering. Majid Al Futtaim Ventures' strategy in relation to Majid Al Futtaim Cinemas is to target growth through expansion outside the region in the medium term as well as to upgrade the services offered, particularly in relation to seating and food and beverage.

Majid Al Futtaim Leisure and Entertainment

Through its wholly-owned subsidiary, Majid Al Futtaim Leisure and Entertainment, Majid Al Futtaim Ventures offers leisure and entertainment facilities throughout the Middle East. These facilities are typically located in Group shopping malls to capitalise on existing high footfalls as well as to act as an attraction designed to increase the number of visitors to the shopping mall. Majid Al Futtaim Leisure and Entertainment's facilities include Family Entertainment Centres ("**FECs**"), Lego stores and Unique Leisure Offers ("**ULOs**"). Majid Al Futtaim Ventures' strategy in relation to Majid Al Futtaim Leisure and Entertainment is to continue to use it to strengthen its shopping malls and at the same time to focus on improving efficiency and reducing costs.

Family Entertainment Centres

Majid Al Futtaim Leisure and Entertainment's 'Family Entertainment Centres' comprises of Magic Planet sites, Aqua Play and Yalla Bowling which serve as a Group shopping mall anchor tenant.

Magic Planet is a mall-based family entertainment destination. Magic Planet's 22 entertainment centres, which range from 100 to 9,000 square metres, offer thrill rides, family rides, soft-play areas for children and video games for all ages. There are currently Magic Planet centres in all the malls owned by Majid Al Futtaim Properties and also in Mirghab (Sharjah), Juraina (Sharjah), Arabian Ranches (Dubai), Cairo Festival City (Egypt) which are not owned by Majid Al Futtaim Properties.

Magic Planet in The Avenues Mall, Kuwait and Taj, Jordan are also located in non-Majid Al Futtaim shopping malls and are essentially joint venture entities.

In addition, Majid Al Futtaim Leisure and Entertainment operates Aqua Play and Yalla Bowling centres which are located in City Centre Mirdiff (Dubai).

Lego stores

In 2014, Majid Al Futtaim Leisure and Entertainment entered into partnership with Lego to open Lego certified stores in the region. By 31 December 2015, five Lego certified store was opened in the UAE and Kuwait.

Unique Leisure Offers

Majid Al Futtaim Leisure and Entertainment operates four indoor ULOs which comprise of Ski Dubai (located in Mall of the Emirates, Dubai), Wahoo (located in City Centre Bahrain), Little Explorers and iFly (located in City Centre Mirdif, Dubai). During the year 2015, Soccer Circus was closed and a new project (Orbi) was started to replace it.

The ULOs serve as important mall anchors to attract visitors to the shopping mall. The ULOs are owned by Majid Al Futtaim Properties. Majid Al Futtaim Leisure and Entertainment's strategy in relation to ULOs is to continue to be the partner of choice for all new Majid Al Futtaim Shopping Mall developments providing an anchor leisure attraction.

Majid Al Futtaim Finance

Majid Al Futtaim Ventures established Majid Al Futtaim Finance as a joint venture company with JCB and Japan's Orix Corporation in 2008. In April 2010, Majid Al Futtaim Ventures acquired the shares held by its joint venture partners and became the sole owner of the company. At the same time, Majid Al Futtaim Finance entered into an arrangement with Visa International Service Association to issue Najm Visa credit cards. The Majid Al Futtaim Ventures Najm Visa credit cards feature a loyalty programme that leverages the Group's retail, shopping, hotel and leisure and entertainment products and services.

Majid Al Futtaim Finance and the Group's Carrefour stores benefit from the fact that the Carrefour shoppers are a captive market to which the credit cards can be marketed and the credit cards are a vehicle through which shoppers can be encouraged to make purchases at the Carrefour stores through targeted offers. Majid Al Futtaim Ventures' strategy in relation to Majid Al Futtaim Finance is to increase the range and value of promotions offered to existing card holders. As at 31 December 2015, 130,138 active Najm Visa credit cards (representing approximately 84,293 accounts) were in issue and the Group has controlled the expansion of its credit card business by imposing stringent credit profile requirements.

In 2015, Majid Al Futtaim Finance issued 56,251 new credit cards, expanded the portfolio of prepaid cards, launched a new digital front offering faster and convenient apps and online services for the tech-savvy customers. In addition, Majid Al Futtaim Finance entered into the emerging mobile payment industry with an investment in Beam, an innovative mobile payment and rewards platform and introduced a new travel card, Voyager, in the market.

Majid Al Futtaim Finance plans to develop new prepaid card offerings, expand the prepaid distribution network, grow the Beam business by adding more users and increasing average spend/transaction and launch an online remittance service in partnership with Western Union.

Majid Al Futtaim Fashion

Majid Al Futtaim Fashion is a wholly-owned subsidiary of Majid Al Futtaim Ventures which was established in late 2005. It operates primarily as a licensee of Liz Claiborne brands such as Juicy Couture and other brands such as Jane Norman, Hoss Intropia and Halston Heritage with exclusive licensing rights for these brands in different MENA region countries, depending on the brand. Majid Al Futtaim Fashion entered into a partnership with the leading American retailer and casual wear clothing brand, Abercrombie & Fitch Co. (A&F) with respect to its A&F and Hollister brands. During the year 2015, Majid Al Futtaim entered into a joint venture agreement with Monsoon and Accessorize with consolidation rights and took over 61 stores spread over five countries (UAE, Bahrain, Oman, Qatar and Saudi Arabia). It also entered into a franchise agreement to operate three new brands in the region (Lululemon, All Saints and Peacock).

As at 31 December 2015, Majid Al Futtaim Fashion operated 115 stores in six countries: the UAE, Bahrain, Kuwait, Qatar, Lebanon and Saudi Arabia.

Majid Al Futtaim Healthcare

Majid Al Futtaim Ventures established Majid Al Futtaim Healthcare as a wholly owned subsidiary in 2011. The company opened its first Multi-speciality and Day Care Surgery Centre at Deira City Centre in November 2013. The clinic continued to gain scale throughout 2014 and 2015 by adding world-class facilities and attract leading doctors and was awarded two prestigious industry recognitions, the ISO 15189 standard and the Joint Commission International's Gold Seal of Approval. During second half of the year 2015, a new medical clinic was opened at Me'aisem City Centre (mall Owned by Majid Al Futtaim Properties).

Investments in Joint Ventures

Majid Al Futtaim Ventures' investments in joint ventures comprise:

ENOVA by VEOLIA

ENOVA by VEOLIA (previously known as Majid Al Futtaim Dalkia) is a joint venture established in 2002 between Majid Al Futtaim Ventures and Dalkia, a subsidiary of Veolia Environment, in which Majid Al Futtaim Ventures owns 51 per cent. of the shares. ENOVA by VEOLIA provides solutions designed to optimise the costs involved in managing the energy infrastructure in shopping centres, offices, leisure complexes, hotels, hospitals, universities, airports and any other commercial, industrial, residential or public buildings.

Approximately 64 per cent. of Majid Al Futtaim Ventures' revenue for the financial year ended 31 December 2015 and approximately 66 per cent. of its revenue for 2014 came from charges to non-Group companies. In December 2009, the joint venture agreement with Majid Al Futtaim Dalkia (now known as ENOVA by VEOLIA) was amended to reflect the contribution by Majid Al Futtaim Dalkia to the joint venture of related businesses in Bahrain and Saudi Arabia. In return, Majid Al Futtaim Ventures ceded management control of the joint venture to Majid Al Futtaim Dalkia and, whilst retaining its 51 per cent. shareholding, now accounts for the joint venture as an associate.

Majid Al Futtaim Food and Beverages

Majid Al Futtaim Food and Beverages LLC is a wholly-owned subsidiary of Majid Al Futtaim Ventures established in 2013 for investing in facility and restaurant management services. In 2013, Majid Al Futtaim Food and Beverages LLC acquired a 50.66 per cent. shareholding in a joint venture company

Gourmet Gulf Co. LLC. The remaining 49.34 per cent. is held by the joint venture partner Daud Arabian Trading. Gourmet Gulf Co. LLC owns brands such as California Pizza Kitchen, YO! Sushi, Hummingbird Bakery, Panda Express, Azkadenya, Dalloyau, and Texas de Brazil. In 2016, the company plans to expand its portfolio of brands.

DISCONTINUED OPERATIONS IN SYRIA AND IRAN

During 2012 and 2013, the Group sold its investment and operations in Syria and Iran to Majid Al Futtaim Capital LLC ("**Majid Al Futtaim Capital**"), the Group's parent company.

In August 2012, Majid Al Futtaim Properties sold its investment and operations in MAF Investment Syria LLC (previously a subsidiary of Majid Al Futtaim Properties, incorporated in Syria) and MAF Syria for Investment and Development LLC (previously a subsidiary of Majid Al Futtaim Properties, incorporated in the UAE) to Majid Al Futtaim Capital. The total consideration for the sale of the interest in both entities was AED346.9 million which was equivalent to Majid Al Futtaim Properties' share of net assets in the two subsidiaries at 31 July 2012. The obligation to pay the sale proceeds payable to Majid Al Futtaim Properties was novated to Majid Al Futtaim Holdings and was set off against a dividend declared by Majid Al Futtaim Properties in favour of Majid Al Futtaim Holdings on 1 August 2012.

In December 2012, Majid Al Futtaim Retail sold its investment and operations in Majid Al Futtaim Hypermarkets PARS PJSC (previously a subsidiary of Majid Al Futtaim Retail, incorporated in Iran) to Majid Al Futtaim Capital. The total consideration for the sale was AED72.8 million which was equivalent to the Group's net assets in Majid Al Futtaim Hypermarkets PARS PJSC at 31 December 2012. The Group's share of the consideration (AED54.6 million) due from Majid Al Futtaim Capital to Majid Al Futtaim Retail was offset by a dividend of an equivalent amount declared by Majid Al Futtaim Retail in favour of Majid Al Futtaim Holdings and by Majid Al Futtaim Holdings in favour of Majid Al Futtaim Capital on 5 March 2012 which was settled on 1 May 2013.

In July 2013, the Group sold its hypermarket investment and operations in a subsidiary in Syria for a consideration of AED10,000, equivalent to the net assets of the subsidiary, to Middle East Hypermarket, a subsidiary of Majid Al Futtaim Capital.

TREASURY AND INTERNAL AUDIT

The Group operates a centralised treasury with a view to benefitting from both internal and external economies of scale and core expertise as well as leveraging the Group's different business profiles.

The treasury function is principally responsible for the overall co-ordination of cash management (payments and operational cash management are managed at an individual business unit level), financing and financial risk management, with all Group borrowings being arranged by the treasury and approved by the Majid Al Futtaim Holding Board. The treasury function has a clear demarcation of responsibility between front, middle and back office functions and its performance is measured by reference to a number of defined benchmarks in terms of capital structure and allocation, liquidity management, funding and investment, financial risk management and other areas.

During the second half of 2013, the internal audit function was reorganised from a centralised department at Majid Al Futtaim Holding level to a decentralised function at the level of each operating company. This was done to bring the audit function closer to the business and operational needs specific to each operating company. The prevailing methodology and approach have been maintained to ensure independent oversight and the implementation of strict corporate governance practices.

INFORMATION TECHNOLOGY

The Group utilises IT solutions for a variety of business functions, including financial reporting, supply chain management, project development and human resources. Each of the Group's operating subsidiaries uses software that is tailored to its particular business needs.

The Group does not currently have a separate disaster recovery site although disaster recovery procedures are in place at its data centre and designed to recover data and applications in a disaster scenario. The Group also implements anti-virus and other data security procedures.

HEALTH AND SAFETY AND SECURITY

The Group's operating subsidiaries follow comprehensive fire and health and safety policies and procedures appropriate to their respective businesses. In particular, the Group's shopping malls are constructed to international standards, most of Majid Al Futtaim Retail's stores have received HACCP certification (as further described under "*—Majid Al Futtaim Retail—Product range and quality control—Quality control*") and all applicable health and safety regulations applicable to the Group's business are complied with.

The Group is also bolstering contingency plans and implementing other security procedures following the civil unrest in Egypt and Bahrain which affected its properties in those countries.

LITIGATION

During 2010, a joint venture company that is 50 per cent. owned by the Group and 50 per cent. owned by a major UAE-based property development company became involved in arbitration proceedings under which the amount of AED2,614 million is being claimed from the joint venture for non-payment of instalments of the purchase price of land which the joint venture company had agreed to purchase. This arbitration has been put on hold since the end of 2011. The Group has no indication if, and when, the arbitration will resume. If resumed, the Group does not believe that any arbitration ruling against the joint venture will result in financial liability for any other Group company. In addition to the above, Majid Al Futtaim Holding and its subsidiaries are involved from time to time in legal actions, often as the claimant, and most of which arise in the ordinary course of business.

INSURANCE

The Group has in place insurance coverage for all material aspects of its operations up to a level which management considers to be reasonable and comparable to or in excess of that of other companies operating in the sectors and markets in which the Group operates. The Group's major insurable risks are covered by insurance policies for property all risks (including business interruption), terrorism cover, cyber insurance and public liability. The Group will continue to seek to secure appropriate insurance coverage for these risks at commercially reasonable rates. See "*Risk Factors—Risks Relating to the Group—The Group may not be able to secure full insurance coverage for the risks associated with the operation of its businesses*".

MANAGEMENT AND EMPLOYEES

MANAGEMENT

Overview

The Group places considerable emphasis on governance and transparency within its operational framework and has voluntarily adopted the principles of the Combined Code on Corporate Governance for listed companies in the United Kingdom (the "**UK**").

The Majid Al Futtaim Holding Board is responsible for (i) determining overall strategic objectives and ensuring there are appropriate human and financial resources available to meet these objectives, (ii) monitoring the performance of management against the strategic objectives and key performance indicators, (iii) ensuring the establishment and operation of prudent and effective controls to assess and manage the risks associated with the operations of the business and (iv) setting and upholding the values and standards necessary to ensure that obligations to shareholders and other stakeholders including employees and, in appropriate cases, creditors are met.

Each of Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures has its own Board responsible for setting strategic goals and measuring the success of the business in achieving objectives and maintaining corporate accountability.

Independent non-executive chairmen have been appointed to the Majid Al Futtaim Properties and Majid Al Futtaim Retail Boards to define and allow for the implementation of separate and distinct roles for Majid Al Futtaim Holding's Chairman and CEO. This Board structure allows the Majid Al Futtaim Holding CEO to focus on his overriding responsibility of leading the executive management of the Group, while allowing the individual Boards and their management to focus on the increasingly complex and specialised demands of their respective businesses.

Each of the Group's Boards works closely together to review, recommend and approve projects, combining the expertise of the various businesses. To further this goal, the Majid Al Futtaim Holding CEO and at least one other member of the executive committee of Majid Al Futtaim Holding attend the board meetings of each of Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures to ensure that the Group's strategy is implemented consistently.

Each Board undertakes a formal review process with a view to seeking continuous improvement in the Board's performance. Each review analyses the Board and any associated committee processes and their effectiveness, the relationships between non-executive and executive directors, information flows and other relevant information.

Majid Al Futtaim Holding Board

The Majid Al Futtaim Holding Board meets a minimum of four times annually and principally reviews the business performance of the operating companies as well as reports from both the internal and external audit functions. The table below provides certain information in relation to the Majid Al Futtaim Holding's Board:

Name	Position	Year of Appointment
Sir Michael Rake	Chairman	2009
Mr Khalifa Sulaiman	Deputy Chairman	2011
Mr Alain Bejjani	CEO	2015
Mr Tariq Al Futtaim.	Director	2005
Viswanathan Shankar	Director	2012
Ian Davis	Director	2012

The business address of each director is Majid Al Futtaim Holding LLC, P.O. Box 91100, Dubai, United Arab Emirates.

Sir Michael Rake - Chairman

Sir Michael Rake was appointed as Chairman of Majid Al Futtaim Holding on 1 July 2009. He is currently the Chairman of British Telecom Group plc, the UK's largest telecom operator and of Worldpay. He was previously the Chairman of KPMG International and a Senior Partner of KPMG in the

UK. Prior to his appointment as Chairman of KPMG International, he was the Chairman of KPMG in Europe. He was the President of the Confederation of British Industry (CBI) from 2013 to 2015 and holds Deputy Chairmanships, amongst others, at Barclays PLC and McGraw Hill Inc. In the second half of 2015, Sir Michael Rake is due to be appointed as Chairman of the International Chamber of Commerce.

Khalifa Sulaiman - Deputy Chairman

Mr Khalifa Sulaiman joined the Majid Al Futtaim Holding Board in October 2011. Mr Sulaiman is a UAE National and has spent a career in government, representing the UAE at the highest levels both locally, regionally and internationally. During his career, Mr Sulaiman was Ambassador to the Court of St. James in the UK, Chairman of H.H. The Ruler's Court, Dubai and Chairman and Director of the National Bank of Dubai PJSC.

Alain Bejjani - CEO

Mr. Alain Bejjani was appointed as CEO of Majid Al Futtaim Holding in February 2015. He was formerly the Chief Corporate Development and Brand Officer at Majid Al Futtaim Holding. He was previously the Vice President (Legal) at Majid Al Futtaim Properties (from 2006) and Head of Business Development at Majid Al Futtaim Properties (from 2009). Prior to this, Mr. Bejjani was Executive Vice-Chairman of the Investment Development Authority of Lebanon (IDAL) and a founding partner of a law firm. He serves on the board of directors for several of Majid Al Futtaim Properties' joint ventures including The Wave, Muscat; Waterfront City in Lebanon; The Emirates Egypt Malls Company; and Sharjah Holding.

Tariq Al Futtaim

Mr Tariq Al Futtaim joined the Majid Al Futtaim Holding Board in May 2005. He was appointed as Vice President when Majid Al Futtaim Holding was formed. He is currently the Chairman of the Majid Al Futtaim Foundation, a prominent charitable initiative founded by the President.

Viswanathan Shankar

Mr. Viswanathan Shankar joined the Board on 1 January 2012. Mr. Shankar was until recently (end April 2015) Group Executive Director and a member of the Board of Directors of Standard Chartered PLC and Standard Chartered Chief Executive Officer - Europe, Middle East, Africa and the Americas as well as Executive Chairman of Principal Finance and Chairman of Standard Chartered private bank. Prior to joining Standard Chartered in 2001, Mr. Shankar spent 19 years with Bank of America in both Asia and the United States of America. In addition to his responsibilities at Standard Chartered, Mr. Shankar is a member of the Board of the Inland Revenue Authority of Singapore and the Board of Trustees of the Singapore Indian Development Association as well as being a member of the Singapore Government's National Integration Council.

Ian Davis

Mr. Ian Davis joined the Majid Al Futtaim Holding Board with effect from 1 June 2012. Mr. Davis is the Chairman of Rolls Royce and an independent non-executive director of BP and Johnson & Johnson, Inc. and a senior adviser to Apax Partners LLP. He is also a non-executive member of the UK's Cabinet. Mr Davis spent his early career at Bowater, moving to McKinsey & Company in 1979. He was managing partner of McKinsey's practice in the UK and Ireland from 1996 to 2003. In 2003, he was appointed as chairman and worldwide managing director of McKinsey, serving in this capacity until 2009. During his career with McKinsey, Mr. Davis served as a consultant to a range of organisations across the private, public and not-for-profit sectors. He retired as senior partner of McKinsey & Company on 30 July 2010.

There are no conflicts of interest between the duties of the members of the Majid Al Futtaim Holding Board listed above to Majid Al Futtaim Holding and their private interests or other duties.

Majid Al Futtaim Properties Board

The Majid Al Futtaim Properties Board meets a minimum of four times annually and is responsible for setting strategic goals, measuring the success of the business in achieving its objectives and maintaining corporate accountability.

The Majid Al Futtaim Properties Board is assisted by two committees, the Audit and Risk Committee and the HR and Remuneration Committee. The Audit and Risk Committee meets at least four times annually and represents and assists the Majid Al Futtaim Properties Board with the oversight of the integrity of the company's financial statements and internal controls, the company's compliance with legal and regulatory requirements, the findings of the internal audit department and independence, and the performance of the company's internal audit and its independent auditor. The HR and Remuneration Committee meets at least twice annually and represents and assists the Board with the oversight of annual and long term performance rewards, annual pay and benefits and strategic human resource issues.

The table below provides certain information in relation to the Majid Al Futtaim Properties Board:

Name	Position	Year of Appointment
Mr Richard North	Chairman & Audit Committee Chairman	2009
Mr Salem Al Ghurair	Director	2014
Mr Abdulla Majed Ahmad Al Ghurair	Director	2009
Mr Neil Jones	Director & Remuneration Committee Chairman	2012

The business address of each director is Majid Al Futtaim Properties LLC, P.O. Box 60811, Dubai, United Arab Emirates.

Richard North - Chairman & Audit and Risk Committee Chairman

Mr. Richard North joined the Group Board in February 2006 and subsequently transferred to the Majid Al Futtaim Properties Board in July 2009. He was appointed as Deputy Chairman in August 2014. A Partner with Coopers & Lybrand from 1983, he joined The Burton Group in 1991 as group CFO, moving to Bass PLC (later Six Continents) in 1994 and becoming CEO of Intercontinental Hotels Group in 2003 following the demerger of Six Continents. He has held a number of non-executive positions on various boards including Asda, Britannia Soft Drinks (as chairman), Felcor Lodgings Trust Inc. and Mecom. He was formerly chairman of Woolworths Group.

Salem Al Ghurair

Mr Salem Al Ghurair joined the Majid Al Futtaim Properties board on 1 February 2014. He is currently the Managing Director of Al Rimal Real Estate, a property development company based in Dubai. Mr Al Ghurair has held several leading development and management positions. He has extensive UAE experience in real estate development and large scale mixed used projects.

Abdulla Al Ghurair

Mr Abdulla Majed Ahmad Al Ghurair joined the Majid Al Futtaim Properties Board in July 2009. He is currently the chairman of Abdulla & Hamad Al Ghurair Investment LLC (A&H Investment), a holding company established in Dubai under his and his brother Mr. Hamad Majed Al Ghurair's leadership. A&H Investment manages Mr Al Ghurair's and his brother's interests in a number of companies, including companies that are either partially or fully owned by the Group. Mr Al Ghurair also holds a number of directorships and is a member of the board of the Dubai Financial Markets. He is currently Chairman of the Majid Al Futtaim Charity Foundation, a prominent charitable initiative.

Neil Jones - Remuneration Committee Chairman

Mr Neil Jones joined the Majid Al Futtaim Properties Board in June 2012. He is an experienced general manager and real estate capital markets specialist. Since 2009 he has focused on strategic advisory and venture capital in the real estate industry. Previously he was chief executive of Grosvenor Continental Europe for 12 years until 2009 and a director of Grosvenor Group Limited. He has held numerous directorships with both listed and private companies. Current appointments include director of Sonae Sierra SGPS and consultant to Grosvenor Group Limited as well as advising a number of privately held, family controlled groups. He has spent most of his career in Asia and Continental Europe.

There are no conflicts of interest between the duties of the members of the Majid Al Futtaim Properties' Board listed above to Majid Al Futtaim Properties and their private interests or other duties.

In the five years preceding the date of this Base Prospectus, no member of the Majid Al Futtaim Holding Board or Majid Al Futtaim Properties Board has been convicted of any fraudulent offence, served as director, partner, founder or senior manager of any organisation at the time of any bankruptcy, receivership, any official public incrimination or sanctions by statutory or regulatory authorities, including designated professional bodies, or has been disqualified by a court from acting as a director of an issuer of securities or from acting in the management or conduct of affairs of any issuer of securities.

EMPLOYEES

As at 31 December 2015, the Group had 30,433 employees. The following table shows the number of employees in each of the major Group companies:

Business Division	Number of Employees
Majid Al Futtaim Holding	60
Majid Al Futtaim Properties[1]	3,053
Majid Al Futtaim Retail	24,327
Majid Al Futtaim Ventures	2,993
Total	30,433

(1) Includes employees of managed hotels.

As is common in jurisdictions in which the Group operates, employee benefit packages include housing allowances for employees of a certain grade and the provision of housing for employees below that grade.

Presently, most GCC countries do not permit unions, and the Group does not presently have any direct dealings with unions in its countries of operation.

The Group fulfils its statutory pension obligations in all countries in which it operates.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions).

Purchase Agreement

The amended and restated master purchase agreement was entered into on 31 May 2016 (the "**Master Purchase Agreement**") between MAF Sukuk Ltd. (in its capacities as Trustee and as Purchaser) and Majid Al Futtaim Properties (in its capacity as Seller) and will be governed by the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. A Supplemental Purchase Contract (together with the Master Purchase Agreement, a "**Purchase Agreement**") between the same parties will be entered into on the Issue Date of the first Tranche of Certificates to be issued under a Series and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Pursuant to the Purchase Agreement, the Seller will sell to the Purchaser, and the Purchaser will buy from the Seller, the Initial Asset Portfolio. The Initial Asset Portfolio will also be identified in the applicable Final Terms of the first Tranche of Certificates under a Series.

Lease Agreement

The amended and restated master lease agreement was entered into on 31 May 2016 (the "**Master Lease Agreement**") between Majid Al Futtaim Properties (in its capacity as Lessee) and MAF Sukuk Ltd. (in its capacities as Trustee and as Lessor) and will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Where the relevant Initial Asset Portfolio is to comprise a Self-Use Asset, a Supplemental Lease Contract (together with the Master Lease Agreement, a "**Lease Agreement**") between the same parties will be entered into on the Issue Date of the first Tranche of Certificates to be issued under a Series and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Where the relevant Initial Asset Portfolio will not comprise a Self-Use Asset, but a Self-Use Asset is to form part of the relevant Asset Portfolio at any time thereafter, the Lessor and the Lessee will enter into a Supplemental Lease Contract at that time.

Under the terms of each Lease Agreement, the Lessor will lease to the Lessee, and the Lessee will lease from the Lessor, the Self-Use Assets identified in the schedule of leased assets (the "**Schedule of Leased Assets**") relating to each Supplemental Lease Contract (the "**Leased Assets**") during renewable Rental Periods commencing on the relevant Lease Commencement Date (each as defined in the relevant Supplemental Lease Contract) and extending to the relevant Scheduled Dissolution Date. If a Self-Use Asset is to form part of the relevant Asset Portfolio at any time after a Supplemental Lease Contract has been entered into for the relevant Series, the Lessor and the Lessee will enter into an addendum (each an "**Addendum**") in order to constitute such asset as a Leased Asset and the Schedule of Leased Assets contained in the relevant Supplemental Lease Contract shall be updated accordingly. Each reference in this Base Prospectus to a Lease Agreement shall be construed to include each Addendum to the relevant Supplemental Lease Contract.

If a Supplemental Lease Contract is not entered into on the Issue Date of the first Tranche of Certificates under a Series but at any time thereafter:

(a) Majid Al Futtaim Properties delivers a Substitution Notice under the Sale Undertaking in respect of a New Portfolio Asset (as defined in the Sale Undertaking) which is a Self-Use Asset;

(b) the Services Agent places any Asset Portfolio Principal Revenues (in accordance with the Management Agreement) in any Tangible Asset which is a Self-Use Asset, or

(c) Majid Al Futtaim Properties and the Trustee have entered into an Additional Sale Agreement (as defined in the Sale Undertaking) in accordance with the Sale Undertaking in respect of Additional Portfolio Assets which include on or more Self-Use Assets,

then, upon the first occurrence of the matters specified in paragraphs (a), (b) or (c) above, the Lessee and Lessor will agree in the Master Lease Agreement that they will execute a Supplemental Lease Contract with respect to that Self-Use Asset immediately after (in the case of paragraph (a)) the relevant Transfer Agreement has been executed on the relevant Substitution Date in accordance with the terms of the Sale

Undertaking, (in the case of paragraph (b)) the relevant sale and purchase agreement has been entered into in relation to that Self-Use Asset or (in the case of paragraph (c)) the relevant Additional Sale Agreement has been entered into in relation to that Self-Use Asset in each case for the purpose of constituting that Self-Use Asset as a Leased Asset. For the avoidance of doubt, only one Supplemental Lease Contract will be required for each Series.

Under the terms of each Lease Agreement, the Lessee will agree to be responsible, at its own cost and expense, for the performance of all Ordinary Maintenance and Repair required for the Leased Assets. The Lessor shall be responsible for (i) the performance of all Major Maintenance and Structural Repair, (ii) the payment of any proprietorship or other relevant taxes and (iii) insuring the Leased Assets in accordance with the terms of the Management Agreement, and the Lessee has acknowledged that the Lessor may procure that the Services Agent, in accordance with the terms and conditions set out in the Management Agreement, shall perform, or shall procure the performance of, the Major Maintenance and Structural Repair on behalf of the Lessor, the payment of such taxes and the insurance of the Leased Assets.

The rental (Rental) payable under each Lease Agreement will be payable on the business day prior to the date on which the Periodic Distribution Amounts for the Series are payable or any earlier date on which the lease of the relevant Lease Assets is terminated in accordance with the terms of the Lease Agreement. The Rental for each rental period will be an amount equal to the aggregate of the product of (i) the Rental Rate for such Rental Period (which will be equivalent to the Rate specified in the applicable Final Terms for the relevant Series), (ii) the Face Amount and (iii) the day count fraction specified in the applicable Final Terms for the relevant Series. The Face Amount will be the aggregate Value (as defined in the Management Agreement) of the Leased Assets specified in the relevant Schedule of Leased Assets on the first day of the relevant Rental Period. Rental will be payable by the Lessee to the Services Agent.

Management Agreement

The amended and restated management agreement was entered into on 31 May 2016 (the "**Management Agreement**") between MAF Sukuk Ltd. (in its capacity as Trustee) and Majid Al Futtaim Properties (as Services Agent of each Wakala Portfolio) and will be governed by English law.

Services

Pursuant to the Management Agreement, the Trustee will appoint the Services Agent to provide certain services (which, for the avoidance of doubt, shall exclude any investment activity) in respect of the Wakala Portfolio applicable to each Series during the relevant Wakala Services Period (as defined in the Management Agreement). In particular, the Services Agent will, in relation to each Series perform, amongst other things, the following services (the "**Services**"):

(a) it shall service the Wakala Portfolio in accordance with the Wakala Services Plan set out in the Schedule to the Management Agreement (a copy of which will be scheduled to the relevant Supplemental Purchase Contract, which includes the annual amount of expected Asset Portfolio Income Revenues (as defined below) of the relevant Asset Portfolio (the "**Expected Asset Portfolio Income Revenues Amount**"), which shall be completed at the time of issue of the first Tranche of Certificates to be issued under the relevant Series and shall be updated at the time of issue of any further Tranches of Certificates under the relevant Series to take into account any Additional Portfolio Assets acquired or any further Commodity Murabaha Investment entered into in connection with the issuance of any further Tranches of Certificates);

(b) it shall ensure that, on the Issue Date of the first Tranche of Certificates to be issued under a Series (but not necessarily thereafter) the Asset Portfolio is entirely comprised of Tangible Assets;

(c) it will ensure that at all times (including following a partial dissolution of the Certificates of the relevant Series or the issuance of a further Tranche of Certificates under a Series) the total Value of the Tangible Assets forming part of the Wakala Portfolio is not less than 33 per cent. of the total Value of the Wakala Portfolio at the relevant time (the "**Tangibility Ratio**"). A breach of this requirement will not, however, constitute a Majid Al Futtaim Properties Event;

(d) it will at no time acquire any further Portfolio Assets for any consideration greater than the Value of such Portfolio Assets or substitute any Portfolio Asset(s) for any Portfolio Asset(s) of a Value less than the Value of the Portfolio Asset(s) so substituted, and thereby use its best endeavours to provide such services in respect of the Asset Portfolio such that the Asset Portfolio Value, when aggregated with the outstanding Deferred Sale Prices relating to that Series, is at all times at least equal to the aggregate face amount of the Certificates then outstanding;

(e) it shall use its best endeavours promptly to place (for and on behalf of the Trustee) all Asset Portfolio Principal Revenues in acquiring, for and on behalf of the Trustee, further Tangible Assets and, to the extent insufficient Tangible Assets are available, to hold the cash sums representing such Asset Portfolio Principal Revenues until it can, using its best endeavours, place those sums in further Tangible Assets and such sums shall form part of the Portfolio Assets until they can be so placed. The Services Agent will agree that Asset Portfolio Principal Revenues will not be placed in any non-Sharia compliant assets or in any businesses that generate non-Sharia compliant cash flows and, if it places Asset Portfolio Principal Revenues in any Self-Use Asset, it (in its capacity as Seller) and the Trustee (in its capacity as Purchaser) will each execute a sale and purchase agreement in respect thereof and (i) if a Supplemental Lease Contract has been executed in respect of the relevant Series, it and the Trustee shall also execute an Addendum to the relevant Supplemental Lease Contract and update the relevant Schedule of Leased Assets or (ii) if a Supplemental Lease Contract has not yet been executed in respect of the relevant Series, it and the Trustee shall execute a Supplemental Lease Contract;

(f) it shall carry out all Major Maintenance and Structural Repair in respect of the Tangible Assets forming part of the Wakala Portfolio on account and on behalf of the Trustee and in so doing the Services Agent shall:

(i) ensure that accurate and current records are kept of all Major Maintenance and Structural Repair activities;

(ii) conduct regular and proper inspection of such Tangible Assets and ensure that Major Maintenance and Structural Repair is carried out with the proper quality of materials and workmanship; and

(iii) ensure that Major Maintenance and Structural Repair is carried out by qualified persons and in accordance with all applicable regulations and law;

in each case, in accordance with good maintenance practice expected from a prudent person carrying on business and operations similar to that of the Services Agent on an arm's length basis and in order to fully maintain the value of the Tangible Assets;

(g) it shall, acting as agent for the Trustee, have and is hereby granted complete discretion, authority, power and right in the name of the Trustee:

(i) to enter into contractual arrangements with approved sub-contractors and consultants in order to assist it in performing the Services and its other obligations under this Agreement;

(ii) to enter into, make and perform all agreements and other undertakings as may in the opinion of the Services Agent be necessary or advisable or incidental to the carrying out of the Services pursuant to this Agreement; and

(iii) to the extent necessary to enable the Services Agent to properly exercise its rights and carry out its duties under the Management Agreement, to act for the Trustee and on the Trustee's behalf in the same manner and with the same force and effect as the Trustee might or could do.

The powers contained in this paragraph (g) will be continuing ones and shall remain in full force and effect until revoked on termination of the Management Agreement, however, revocation shall not affect any liability in any way resulting from transactions initiated prior to any such revocation;

(h) (for so long as the Trustee remains the owner of the Tangible Assets forming part of a Wakala Portfolio in its name and on behalf of Certificateholders) it shall pay, on behalf of the Trustee, all

Proprietorship Taxes (if any) charged, levied or claimed in respect of the Tangible Assets forming part of a Wakala Portfolio by any relevant taxing authority;

(i) it shall promptly notify the Trustee if any claim, levy or charge for Proprietorship Taxes is delivered directly to the Services Agent;

(j) it shall promptly pay all Proprietorship Taxes after receipt of notification and, in any event, prior to the same becoming overdue and promptly provide to the Trustee appropriate receipts or certificates from the relevant taxing authority for the full amount of all Proprietorship Taxes paid by it;

(k) it shall do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers reasonably necessary to ensure the assumption of, and compliance by each Portfolio Asset obligor with its covenants, undertakings or other obligations under the Portfolio Asset contract to which it is a party in accordance with applicable law and the terms of the Portfolio Asset contract, in each case in respect of the Portfolio Assets;

(l) it shall discharge or procure the discharge of all obligations to be discharged by Majid Al Futtaim Properties (in whatever capacity) in respect of any of the Portfolio Assets under all Portfolio Asset contracts, it being acknowledged that the Services Agent may appoint one or more agents to discharge these obligations on its behalf;

(m) it shall pay on behalf of the Trustee any actual costs, expenses and losses which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Wakala Portfolio, and such actual costs, expenses and losses shall be reimbursed in accordance with the terms of the Management Agreement;

(n) it shall use all reasonable endeavours to ensure the timely receipt of all Asset Portfolio Revenues (as defined below), and all amounts of Deferred Sale Price payable by Majid Al Futtaim Properties pursuant to the terms of the Master Murabaha Agreement and the relevant Murabaha Contracts, investigate non-payment of Asset Portfolio Revenues and/or such amounts of Deferred Sale Price and generally make all reasonable efforts to collect or enforce the collection and/or payment of such Asset Portfolio Revenues and/or such amounts of Deferred Sale Price under all Portfolio Asset contracts and under the Master Murabaha Agreement and the relevant Murabaha Contracts, respectively, as and when the same shall become due;

(o) it shall ensure that all Asset Portfolio Revenues and all amounts payable in respect of any Deferred Sale Price are received and/or paid free and clear of, and without withholding and deduction for, Taxes (as defined therein);

(p) it shall use all reasonable endeavours to ensure that the Asset Portfolio Income Revenues are at least equal to the Expected Asset Portfolio Income Revenues Amount;

(q) it shall maintain the Collection Accounts in accordance with the terms of the Management Agreement and as summarised below and shall ensure that only Asset Portfolio Revenues which are Sharia compliant are deposited into such Collection Accounts;

(r) it shall obtain all necessary authorisations in connection with any of the Portfolio Assets and its obligations under or in connection with the Management Agreement;

(s) it shall renew existing leases relating to Externally Leased Assets, or where such leases are not to be renewed, source new tenants or obligors, as the case may be;

(t) it shall (i) promptly and accurately amend each Schedule of Leased Assets upon any Leased Asset forming part of the relevant Wakala Portfolio or any Leased Asset no longer forming part of the relevant Wakala Portfolio (in each case pursuant to the Purchase Undertaking, the Sale Undertaking or paragraph (e) above, as the case may be) and (ii) enter into any relevant Supplemental Lease Contract if not already entered into;

(u) it shall (on behalf of the Trustee acting its capacity as Lessor) (i) determine and/or notify the Lessee of all Rentals and, if relevant, Rental Rates; and (ii) despatch all lease renewal notices required to be sent to the Lessee, in each case, under and in accordance with the terms of the relevant Lease Agreement; and

(v) it shall carry out any incidental matters relating to any of the above.

For these purposes:

"**Value**" means, (a) in respect of any Portfolio Asset, the amount in the Specified Currency (following conversion, if necessary, of any relevant amount(s) at the applicable spot Exchange Rate (as defined in the Management Agreement)) determined by Majid Al Futtaim Properties as being equal to the value of that Portfolio Asset on the day on which it formed part of the relevant Wakala Portfolio which (x) (in the case of a Tangible Asset) will be determined on the basis of the market value, or where the relevant Tangible Asset is plant, equipment, machinery or other inventory, the book or replacement value, of each Tangible Asset and (y) (in the case of cash) its face amount; and (b) in respect of a Commodity Murabaha Investment, the outstanding amount of the applicable Deferred Sale Price at the relevant time.

"**Asset Portfolio Value**" means the sum of (A) the aggregate of the Value of each Portfolio Asset comprised in the Wakala Portfolio at the relevant time and (B) any Asset Portfolio Principal Revenues derived from the Portfolio Assets standing to the credit of the Asset Principal Collection Account at the relevant time.

Insurances and Total Loss Shortfall Amount

The Services Agent will also irrevocably undertake with the Trustee, in relation to each Asset Portfolio, that the Services Agent, on behalf of the Trustee, will:

(a) be responsible for ensuring that the Tangible Assets are properly insured to the extent consistent with general industry practice by prudent owners of similar assets, and, accordingly, will effect such insurances in respect of the Tangible Assets (the Insurances), through brokers and with such reputable insurance companies in good financial standing, including against a Total Loss Event. The Services Agent will undertake to ensure that the insured amount relating to a Total Loss Event will, at all times, be at least equal to the Full Reinstatement Value (being, in relation to each Series, will be an amount equal to the aggregate Value of each such Tangible Asset forming part of the Asset Portfolio);

(b) promptly make a claim in respect of each loss relating to the Tangible Assets in accordance with the terms of the Insurances; and

(c) ensure that in the event of a Total Loss Event occurring all the proceeds of the Insurances against a Total Loss Event are paid in the Specified Currency directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event and that the insurer(s) will be directed accordingly.

If the Services Agent fails to comply with the above provisions and as a result the amount (if any) credited to the relevant Transaction Account pursuant to the Management Agreement is less than the relevant Full Reinstatement Value (the difference between such Full Reinstatement Value and the amount credited to the relevant Transaction Account being the Total Loss Shortfall Amount), then the Services Agent (unless it proves beyond any doubt that any shortfall in the insurance proceeds is not attributable to its negligence or its failing to comply with the terms of this Agreement relating to insurance) will irrevocably and unconditionally undertake to pay (in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly to the relevant Transaction Account by no later than close of business in London on the 31st day after the Total Loss Event has occurred. Thereafter, and subject to the Services Agent's strict compliance with this paragraph, any insurance proceeds received from such insurer will be for the Services Agent's sole account.

Wherever the Services Agent is to procure Insurances in accordance with the terms of the Management Agreement (including the renewal of any Insurances in existence on the relevant Issue Date) it will use its reasonable endeavours to obtain such Insurances on a takaful basis if such takaful insurance is available or is available on commercially viable terms. A breach of this requirement will not, however, constitute a Majid Al Futtaim Properties Event.

Records and documents

The Services Agent will undertake, in relation to each Series, that it will keep and maintain all documents (including, without limitation, each Schedule of Leased Assets), books, records and other information reasonably necessary or advisable for the collection of all amounts due in respect of the Wakala Portfolio.

The Services Agent will agree in the Management Agreement to:

(a) provide the Services in accordance with all applicable laws and regulations;

(b) provide the Services with the degree of skill and care that it would exercise in respect of its own assets; and

(c) perform all of its obligations and exercise all of its rights under the Management Agreement (including, in respect of servicing each Wakala Portfolio) in accordance with generally accepted Sharia principles.

Management Liabilities Amounts and Fees

The Trustee and the Services Agent will agree that any Management Liabilities Amounts incurred by the Services Agent in providing the Services in relation to a Series shall be paid by the Trustee by way of the application of amounts standing to the credit of the Asset Income Collection Account by the Services Agent on the Trustee's behalf in payment of such amounts (as described below) or otherwise on the Dissolution Date. For these purposes, Management Liabilities Amounts means, in relation to each Series, the amount of any actual claims, losses, costs and expenses properly incurred or suffered by the Services Agent or other payments made by the Services Agent on behalf of the Trustee, in each case in providing the Services during a Wakala Distribution Period (being a period that corresponds with the relevant Return Accumulation Period under the Certificates), but does not include amounts in respect of Liquidity Facilities.

Majid Al Futtaim Properties shall be entitled to receive a fixed fee of U.S.$100 for acting as Services Agent under the Management Agreement. In addition, following payment of all amounts due and payable under the Certificates of each Series on the final Dissolution Date, the Services Agent shall be entitled to retain any amounts that remain standing to the credit of the Asset Income Reserve Collection Account for its own account as an incentive payment for acting as Services Agent.

Asset Substitutions

In the Management Agreement the Trustee and the Services Agent will agree that, in relation to each Series and provided no Dissolution Event has occurred and is continuing, the Services Agent may at any time exercise its rights under the Sale Undertaking to substitute (and, upon any default in respect of any Portfolio Asset, shall use all reasonable endeavours to so substitute) any one or more of the Portfolio Assets as the Services Agent may select (subject to any Portfolio Asset(s) to be substituted being the defaulting Portfolio Asset(s), if applicable) in accordance with the Sale Undertaking. If a New Portfolio Asset is a Self-Use Asset and if, immediately prior to such substitution, (i) a Supplemental Lease Contract is in force for the relevant Series, the Services Agent and the Trustee will also execute an Addendum to the relevant Supplemental Lease Contract (in order to constitute such asset as a Leased Asset) and update the relevant Schedule of Leased Assets (as appropriate) or (ii) a Supplemental Lease Contract is not in force for the relevant Series, the Services Agent and the Trustee will each execute a Supplemental Lease Contract in order for such New Portfolio Asset to become a Leased Asset, in each case promptly after the Trustee and Majid Al Futtaim Properties have executed a Transfer Agreement pursuant to the Sale Undertaking.

Collection Accounts

In relation to each Series, the Services Agent will maintain three ledger accounts (such accounts being the "**Asset Principal Collection Account**", the "**Asset Income Collection Account**" and the "**Asset Income Reserve Collection Account**") in its books each of which shall be denominated in the Specified Currency in which all revenues from the Portfolio Assets (the "**Asset Portfolio Revenues**") will be recorded. The Asset Portfolio Revenues include all Rental, all rental and other amounts paid by the relevant lessee or obligor and all sale proceeds or consideration, damages, insurance proceeds, compensation or other sums received by the Services Agent in respect of Portfolio Assets. All Asset Portfolio Revenues in relation to each Series will be recorded:

(a) to the extent that any such amounts comprise amounts in the nature of sale, capital or principal payments ("**Asset Portfolio Principal Revenues**"), in the Asset Principal Collection Account; and

(b) to the extent that any such amounts comprise any other amounts ("**Asset Portfolio Income Revenues**"), in the Asset Income Collection Account.

In addition, certain amounts may be debited from the Asset Income Collection Account and credited to the Asset Income Reserve Collection Account.

Amounts standing to the credit of the Asset Income Collection Account relating to each Series will be applied by the Services Agent on each Wakala Distribution Determination Date (being the Business Day immediately prior to the relevant Periodic Distribution Date under the Certificates of the relevant Series) in the following order of priority:

(a) *first*, in repayment of any amounts advanced by way of a Liquidity Facility;

(b) *second*, in payment of any Management Liabilities Amounts for the Wakala Distribution Period ending immediately before the immediately following Wakala Distribution Date (being the date which corresponds with the relevant Periodic Distribution Date under the Certificates of the relevant Series);

(c) *third*, the Services Agent shall pay into the Transaction Account an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Asset Income Collection Account; and

(d) any amounts still standing to the credit of the Asset Income Collection Account immediately following payment of all of the above amounts shall be debited from the Income Collection Account and credited to the Asset Income Reserve Collection Account.

The Services Agent will be entitled under the Management Agreement to deduct amounts standing to the credit of the Asset Income Reserve Collection Account at any time and use such amounts for its own account, **provided that** such amounts shall be repaid by it if so required to fund a shortfall (as described in the next paragraph) or as required following a Total Loss Event (as described below).

Shortfalls and Liquidity Facilities

If on a Wakala Distribution Determination Date (after (i) payment of the relevant amounts standing to the credit of the Asset Income Collection Account into the relevant Transaction Account in accordance with paragraph (c) above and (ii) taking into account any other payments made or to be made into the relevant Transaction Account pursuant to any other Transaction Document) there is a shortfall (a "**Shortfall**") between:

(a) the amounts standing to the credit of the relevant Transaction Account; and

(b) the Required Amount payable on the immediately following Periodic Distribution Date,

the Services Agent will pay into the relevant Transaction Account on that Wakala Distribution Determination Date from the amounts standing to the credit of the Asset Income Reserve Collection Account (if any) an amount equal to the Shortfall (or such lesser amount as is then standing to the credit of the Asset Income Reserve Collection Account). If any Shortfall still remains after payment to the relevant Transaction Account of the amounts credited to the Asset Income Reserve Collection Account (as described in this paragraph) and after payment to the relevant Transaction Account of all other amounts payable pursuant to any other Transaction Document, the Services Agent may either (A) provide Sharia compliant funding itself or (B) procure Sharia compliant funding from a third party, in each case, to the extent necessary, by payment of the same into the relevant Transaction Account, on terms that such funding is repayable (i) from Asset Portfolio Income Revenues in accordance with the Management Agreement or (ii) on the Scheduled Dissolution Date, to ensure that the Trustee receives on each Wakala Distribution Date the Required Amount payable by it in accordance with the Conditions of the relevant

Series on the immediately following Periodic Distribution Date (such funding in relation to a Series, a "**Liquidity Facility**").

Upon the occurrence of a Total Loss Event, all of the Asset Portfolio Revenues credited to the Collection Accounts (including all Asset Portfolio Income Revenues, Asset Portfolio Principal Revenues and amounts standing to the credit of the Asset Income Reserve Collection Account) will be paid by the Services Agent immediately into the Transaction Account.

Payments under the Management Agreement

The payment obligations of the Services Agent under the Management Agreement will be direct, unconditional, unsubordinated and (subject to the provisions of Clause 4.14(a) of the Master Trust Deed) unsecured obligations of the Services Agent which rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Services Agent.

Commingling of Portfolio Assets

Under the Management Agreement, the Trustee and the Services Agent have each acknowledged and agreed that, in relation to each Series, on the Issue Date of each Tranche of Certificates (other than the first Tranche of Certificates) issued under that Series:

(a) any Additional Portfolio Assets acquired by the Trustee pursuant to the terms of the Sale Undertaking on the relevant Issue Date and the Portfolio Assets forming part of the Asset Portfolio of that Series immediately prior to that Issue Date shall be commingled on the relevant Issue Date and collectively comprise the Asset Portfolio of that Series;

(b) any such Additional Portfolio Assets shall for the purposes of the Transaction Documents constitute Portfolio Assets comprised in the relevant Asset Portfolio;

(c) any Commodity Murabaha Investment concluded on the relevant Issue Date, any Commodity Murabaha Investment forming part of the Wakala Portfolio of that Series immediately prior to that Issue Date and the relevant Asset Portfolio of that Series shall be commingled on the relevant Issue Date and collectively comprise the Wakala Portfolio of that Series.

Purchase Undertaking

The amended and restated purchase undertaking was executed as a deed on 31 May 2016 (the "**Purchase Undertaking**") by Majid Al Futtaim Properties in favour of MAF Sukuk Ltd. (in its capacity as Trustee) and the Delegate and will be governed by English law. Majid Al Futtaim Properties will agree that, subject to the right of the Trustee to bring proceedings in any other court(s) of competent jurisdiction, the DIFC Courts shall have exclusive jurisdiction to settle any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Purchase Undertaking.

Majid Al Futtaim Properties will, in relation to each Series, irrevocably undertake in favour of the Trustee and the Delegate to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the relevant Asset Portfolio on the relevant Scheduled Dissolution Date or any earlier Dissolution Date for the relevant Series at the Asset Portfolio Exercise Price, which shall be an amount in the Specified Currency equal to the aggregate of:

(a) the aggregate outstanding face amount of the Certificates on the relevant Dissolution Date;

(b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates of the relevant Series;

(c) the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility and (ii) any Management Liabilities Amounts; and

(d) any other amounts payable in relation to the redemption of the Certificates as specified in any applicable Final Terms relating to the relevant Series, less the aggregate of each outstanding Deferred Sale Price relating to that Series, **provided that** a Commodity Murabaha Investment forms part of the Wakala Portfolio of the relevant Series and the outstanding Deferred Sale Prices have been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement and the relevant Murabaha Contracts and are available for the redemption of the relevant Certificates.

If the Delegate exercises its option prior to the Scheduled Dissolution Date, an exercise notice will be required to be delivered by the Delegate under the Purchase Undertaking.

The Trustee will also be entitled to exercise the Purchase Undertaking following any exercise by the Certificateholders of any relevant Series of their right to require the Trustee to redeem their Certificates on a Certificateholder Put Option Date or, as the case may be, Change of Control Put Option Date, in which case Majid Al Futtaim Properties will be required to purchase a portion of the relevant Asset Portfolio (such portion to comprise the "**Certificateholder Put Option Portfolio Assets**" and the "**Change of Control Portfolio Assets**", respectively) for an exercise price equal to (a) the aggregate face amount of the Certificateholder Put Option Certificates or Change of Control Certificates (as the case may be), (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificateholder Put Option Certificates or Change of Control Certificates (as the case may be); (c) any other amounts payable in relation to the Certificates being redeemed on the exercise of the Certificateholder Put Option or Change of Control Put Option as specified in any applicable Final Terms relating to the Series; and (d) only to the extent that the Certificateholder Put Option Percentage or Change of Control Percentage (as the case may be) is equal to 100 per cent. of the aggregate face amount of all of the Certificates then outstanding, the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility and (ii) any Management Liabilities Amounts; less the relevant proportion of the aggregate of any Deferred Sale Prices relating to that Series, being an amount equal to: (i) the aggregate of each outstanding Deferred Sale Price relating to that Series multiplied by (ii) the Certificateholder Put Option Percentage or Change of Control Percentage (as the case may be), **provided that** a Commodity Murabaha Investment forms part of the Wakala Portfolio of the relevant Series and such relevant proportion of any such Deferred Sale Price has been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement and the relevant Murabaha Contracts and are available for the redemption of the relevant Certificates. The exercise price (the "**Certificateholder Put Option Exercise Price**" and the "**Change of Control Exercise Price**", respectively, and, together with the "**Asset Portfolio Exercise Price**", each an "**Exercise Price**") payable for the Certificateholder Put Option Portfolio Assets and the Change of Control Portfolio Assets (as the case may be) will therefore be calculated on a similar basis to the Asset Portfolio Exercise Price save that the amounts described in sub-paragraph (c) of that definition shall not apply if less that 100 per cent. of the Certificates outstanding are being redeemed.

Majid Al Futtaim Properties will undertake in the Purchase Undertaking that, to the extent that the sale and purchase or transfer and assignment of any interest in Majid Al Futtaim Properties' rights, title, interests, benefits and entitlements in, to and under of the Asset Portfolio, the Change of Control Portfolio Assets or the Certificateholder Put Option Portfolio Assets, as the case may be, is not effective in any jurisdiction for any reason, it will in consideration for the payment to it by the Trustee of the purchase price for its interest in the relevant assets, (i) make payment of an amount equal to the purchase price by way of restitution to the Trustee immediately upon request and (ii) indemnify fully the Trustee for any shortfall between the amount in (i) and the amount required for the purpose of redemption in full of the outstanding Certificates of the relevant Series and, accordingly, the amount payable under any such indemnity will equal the relevant Exercise Price.

In addition, if Majid Al Futtaim Properties fails to pay all or part of any Exercise Price that is due in accordance with the Purchase Undertaking and **provided that** no Sale Agreement has been entered into, then Majid Al Futtaim Properties will agree in the Purchase Undertaking that it will irrevocably, unconditionally and automatically (without the necessity for any notice or any other action) continue to act as Services Agent for the provision of the Services in respect of the relevant Wakala Portfolio on the terms and conditions, *mutatis mutandis*, of the Management Agreement.

Majid Al Futtaim Properties will expressly declare in the Purchase Undertaking that:

(a) the relevant Exercise Price represents a fair price for the purchase of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Asset Portfolio, the Change of Control Portfolio Assets or the Certificateholder Put Option Portfolio Assets, as the case may be;

(b) it shall irrevocably and unconditionally fully accept all or any ownership interest the Trustee may have in the Asset Portfolio, the Change of Control Portfolio Assets or the Certificateholder Put Option Portfolio Assets, as the case may be, and, accordingly, shall not dispute or challenge all or any ownership interest the Trustee may have in any way; and

(c) if it breaches any declaration or undertaking set out above or if it or any administrator, liquidator or receiver of it disputes or challenges the rights, benefits and entitlements of the Trustee in, to and under the Asset Portfolio, the Change of Control Portfolio Assets or the Certificateholder Put Option Portfolio Assets, as the case may be, Majid Al Futtaim Properties shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the relevant Certificates and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price.

Majid Al Futtaim Properties will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made in the Specified Currency without any deduction or withholding for or on account of tax unless required by law and (save as set out therein) without set-off or counterclaim of any kind and, in the event that there is any deduction or withholding, Majid Al Futtaim Properties shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made. The payment obligations of Majid Al Futtaim Properties under the Purchase Undertaking will be direct, unconditional, unsubordinated and (subject to the provisions of Clause 4.14(a) of the Master Trust Deed) unsecured obligations of Majid Al Futtaim Properties which rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of Majid Al Futtaim Properties.

Sale Undertaking

The amended and restated sale undertaking was executed as a deed on 31 May 2016 (the "**Sale Undertaking**") by MAF Sukuk Ltd. (in its capacity as Trustee) in favour of Majid Al Futtaim Properties and will be governed by English law.

Pursuant to the Sale Undertaking and subject to the Trustee being entitled to redeem the Certificates of the relevant Series for tax reasons in accordance with Condition 10.2, Majid Al Futtaim Properties will, by exercising its right under the Sale Undertaking and serving an exercise notice on the Trustee no later than 45 days prior to the Tax Redemption Date, be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the relevant Asset Portfolio at the Exercise Price. In addition, if:

(a) the Optional Dissolution Right (Call) is specified in the applicable Final Terms as being applicable; or

(b) in respect of any Series where the Change of Control Put Option is specified in the applicable Final Terms as being applicable and, following the occurrence of a Change of Control Event, 75 per cent. or more in face amount of the Certificates are redeemed pursuant to Condition 10.4(b),

Majid Al Futtaim Properties will, by exercising its right under the Sale Undertaking and serving an exercise notice on the Trustee no later than 45 days prior to the relevant Optional Dissolution Date (in the case of (a)) or the relevant Dissolution Date (in the case of (b), which exercise notice must be delivered within 20 days of the Change of Control Put Option Date), be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the relevant Asset Portfolio at the Exercise Price.

For these purposes, the "**Exercise Price**" will be an amount equal to the aggregate of:

(a) the aggregate outstanding face amount of the Certificates of the relevant Series on the relevant Dissolution Date;

(b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates;

(c) the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility and (ii) any Management Liabilities Amounts; and

(d) any other amounts payable in relation to the redemption of the Certificates as specified in any applicable Final Terms relating to the relevant Series,

less the aggregate of each outstanding Deferred Sale Price relating to that Series, **provided that** a Commodity Murabaha Investment forms part of the Wakala Portfolio of the relevant Series and the outstanding Deferred Sale Prices have been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement and the relevant Murabaha Contract and are available for the redemption of the relevant Certificates.

Majid Al Futtaim Properties will be able to exercise its rights under the Sale Undertaking to effect the in kind substitution of Tangible Assets, subject to any substitute Tangible Assets being of a Value not less than the Value of the Tangible Assets to be substituted. Majid Al Futtaim Properties will also be able to exercise its rights under the Sale Undertaking (following any purchase of Certificates by Majid Al Futtaim Properties, the Guarantor or any Subsidiary of Majid Al Futtaim Properties or the Guarantor pursuant to Condition 13) to provide for the transfer of the Cancellation Portfolio Assets (as defined in the Sale Undertaking), together with all of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the relevant Asset Portfolio with an aggregate Value which is not greater than (a) the Asset Portfolio Value immediately prior to the transfer of the Cancellation Portfolio Assets, multiplied by (b) the Cancellation Percentage (as defined in the Sale Undertaking), against cancellation of such Certificates by the Principal Paying Agent pursuant to the Conditions.

Provided that the Trustee has issued an additional Tranche of Certificates in accordance with Condition 22 (*Further Issues*) in respect of an existing Series (the "**Relevant Tranche**"), Majid Al Futtaim Properties will, by exercising its right under the Sale Undertaking and serving an exercise notice on the Trustee, be able to oblige the Trustee on the Issue Date of the Relevant Tranche to purchase all of Majid Al Futtaim Properties' rights, title, interests, benefits and entitlements in, to and under certain additional Tangible Assets that meet the eligibility criteria set out in the Master Purchase Agreement (the "**Additional Portfolio Assets**") at an exercise price specified in the relevant exercise notice (being the "**Additional Exercise Price**") provided that:

(i) the Value of the Additional Portfolio Assets as at the relevant Issue Date (the "**Additional Portfolio Asset Value**") is no less than 34 per cent. of the face amount of the Certificates issued pursuant to the Relevant Tranche; and

(ii) if the Additional Portfolio Asset Value is less than the face amount of the Certificates issued pursuant to the Relevant Tranche, Majid Al Futtaim Properties' has issued or, simultaneously with issuing an Exercise Notice in accordance with Clause 3.1(d) of the Sale Undertaking, will issue a Notice of Request to Purchase pursuant to the terms of the Master Murabaha Agreement specifying a Commodity Purchase Price that is equal to the face amount of the Certificates issued pursuant to the Relevant Tranche less the Additional Portfolio Asset Value; and

(iii) the Additional Exercise Price payable for the relevant Additional Portfolio Assets is an amount equal to the issuance proceeds from the Relevant Tranche less the Commodity Purchase Price specified in any Notice of Request to Purchase issued in connection with the Relevant Tranche and as contemplated by paragraph (ii) above (if any).

Master Murabaha Agreement

The amended and restated master murabaha agreement was entered into on 31 May 2016 (the "**Master Murabaha Agreement**") between MAF Sukuk Ltd. (in its capacity as Seller) and Majid Al Futtaim Properties (as Buyer) and will be governed by English law.

In connection with each Tranche of Certificates under a Series, the Trustee may (acting through Citi Islamic Investment Bank E.C. as its agent (the "**Murabaha Agent**")) enter into a Commodity Murabaha Investment with the Buyer, **provided that** the relevant Commodity Purchase Price is (i) no more than 66 per cent. of the face amount of the relevant Certificates; and (ii) equal to the face amount of the relevant Certificates less the Value of the Initial Asset Portfolio (in the case of the first Tranche of Certificates under a Series) or the Additional Portfolio Assets (in the case of each other Tranche of Certificates under a Series), in each case, as at the relevant Issue Date.

Pursuant to the Master Murabaha Agreement, the Seller will agree and undertake that, on receipt of a purchase order from the Buyer, the Seller shall on the Issue Date for the relevant Tranche of Certificates and on the terms set out in the purchase order enter into purchase transactions no later than the Issue Date of the relevant Tranche of Certificates with commodity suppliers to purchase Commodities at the relevant Commodity Purchase Price. Following the purchase of the Commodities by the Seller, and **provided that** the Seller has acquired title to, and actual or constructive possession of, the Commodities, the Seller shall deliver to the Buyer no later than the Issue Date of the relevant Tranche of Certificates a letter of offer (the "**Letter of Offer**") indicating the Seller's acceptance of the terms of the purchase order made by the Buyer and detailing the terms of the offer for the sale of the Commodities to the Buyer from the Seller no later than the Issue Date of the relevant Tranche of Certificates.

Pursuant to the Master Murabaha Agreement, the Buyer shall irrevocably undertake to accept the terms of the relevant Letter of Offer by signing and delivering to the Seller a letter of acceptance (the "**Letter of Acceptance**") in accordance with the Master Murabaha Agreement and (as a result of the Seller having acted on the request of the Buyer set out in the purchase order) purchase the Commodities acquired by the Seller for the Deferred Sale Price (to be paid in the currency and amounts and on the dates as specified in the relevant Letter of Offer). The Deferred Sale Price will comprise the Commodity Purchase Price and a profit mark up being 1.00 per cent.of the relevant Commodity Purchase Price (and if applicable, will include any Commodity Taxes (as defined in the Master Murabaha Agreement)).

As soon as the Buyer has signed and delivered the relevant Letter of Acceptance, a Murabaha Contract shall be created between the Seller and the Buyer upon the terms of the relevant Letter of Offer and incorporating the terms and conditions set out in the Master Murabaha Agreement, and ownership of and all risks in and to the relevant Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

Pursuant to the terms of the Master Murabaha Agreement and the relevant Murabaha Contracts, the Deferred Sale Prices of each Series shall be payable upon maturity of the Murabaha Contracts (save that the proportion of the Deferred Sale Prices representing any Commodity Taxes (as defined in the Master Murabaha Agreement) shall be payable to the Seller on the relevant Issue Date) and will coincide with the redemption of the Certificates as set out under the Conditions. The Deferred Sale Prices shall be credited directly to the Transaction Account on the business day immediately preceding the relevant Dissolution Date. In respect of a redemption of less than 100 per cent. of the Certificates upon the exercise of a Change of Control Put Option or Certificateholder Put Option, the relevant *pro rata* proportion of the outstanding Deferred Sale Prices of a Series which shall be payable on the relevant Dissolution Date will be determined by multiplying the aggregate of each outstanding Deferred Sale Price of the relevant Series by the Change of Control Percentage or the Certificateholder Put Option Percentage, as the case may be. In respect of any purchase of Certificates by or on behalf of Majid Al Futtaim Properties, the Guarantor or any of their respective Subsidiaries, the Deferred Sale Prices of a Series which shall be cancelled in connection with such purchase and cancellation of Certificates will be determined by multiplying the aggregate of each outstanding Deferred Sale Price of the relevant Series by the Redemption and Cancellation Percentage (as defined in the Master Murabaha Agreement).

Pursuant to the terms of the Master Murabaha Agreement and the relevant Seller Agency Letter, the Seller shall appoint the Murabaha Agent as its agent and on its behalf to perform all acts and execute all documents necessary for the purchase of the Commodities from the relevant commodity supplier(s) in accordance with the terms of Master Murabaha Agreement.

Each outstanding Deferred Sale Price payable by the Buyer under the Master Murabaha Agreement and relevant Murabaha Contracts and the Exercise Price payable by Majid Al Futtaim Properties under the Purchase Undertaking, are intended to fund the relevant Dissolution Distribution Amount payable by the Trustee under the Certificates.

Trust Deed

The Master Trust Deed was entered into on 31 May 2016 (the "**Master Trust Deed**") between Majid Al Futtaim Properties, the Guarantor, the Trustee and the Delegate and will be governed by English law. A Supplemental Trust Deed between the same parties will be entered into on the Issue Date of each Series and will also be governed by English law.

Upon issue of the Global Certificate initially representing any Series, the Master Trust Deed and the relevant Supplemental Trust Deed shall together constitute the Trust declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series comprise (unless otherwise specified in the relevant Supplemental Trust Deed), *inter alia*, the Trustee's rights, title, interest and benefit, present and future, in, to and under the relevant Wakala Portfolio, its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than (i) in relation to any representations given to the Trustee by Majid Al Futtaim Properties or the Guarantor pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (ii) the covenant given to the Trustee pursuant to Clause 14.1 of the Master Trust Deed) and any amounts standing to the credit of the relevant Transaction Account.

Each Trust Deed will specify that, on or after the relevant Scheduled Dissolution Date or, as the case may be, Dissolution Date of a Series, the rights of recourse in respect of the relevant Certificates shall be limited to the amounts from time to time available and comprising the Trust Assets of that Series, subject to the priority of payments set out in the Trust Deed, the relevant Certificates and the Conditions. The Certificateholders have no claim or recourse against MAF Sukuk Ltd. in respect of any amount which is or remains unsatisfied and any unsatisfied amounts will be extinguished.

Pursuant to the Trust Deed, the Trustee will, in relation to each Series, *inter alia*:

(a) hold the relevant Trust Assets on trust absolutely for the relative Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder; and

(b) act as trustee in respect of the relevant Trust Assets, distribute the income from the relevant Trust Assets and perform its duties in accordance with the provisions of the Trust Deed.

In the Master Trust Deed, the Trustee by way of security for the performance of all covenants, obligations and duties of the Trustee to the Certificateholders will irrevocably and unconditionally appoint the Delegate to be its attorney and in its name and on its behalf to execute, deliver and perfect all documents and to exercise all the present and future duties, powers, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to make any determinations to be made under each Trust Deed) vested in the Trustee by each Trust Deed that the Delegate may consider to be necessary or desirable in order upon the occurrence of a Dissolution Event or a Potential Dissolution Event and, subject to its being indemnified and/or secured and/or prefunded to its satisfaction, to perform the present and future duties, powers, authorities and discretions vested in the Trustee by the relevant provisions of each Trust Deed and any of the other Transaction Documents (**provided that** no obligations, duties, liabilities or covenants of the Trustee pursuant to the Master Trust Deed or any other Transaction Document will be imposed on the Delegate by virtue of such delegation). The appointment of such delegate by the Trustee is intended to be in the interests of the Certificateholders and will not affect the Trustee's continuing role and obligations as trustee.

The Delegate will undertake in the Master Trust Deed that, following it becoming aware of the occurrence of a Dissolution Event in respect of any Series and subject to Condition 14 it shall (a) promptly notify the relevant Certificateholders of the occurrence of such Dissolution Event. Subject to the Delegate being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing, the Delegate may take all such steps as are necessary to enforce the obligations of Majid Al Futtaim Properties (in whatever capacity it is acting) and the Guarantor under the relevant Trust Deed and any other Transaction Document to which Majid Al Futtaim Properties (in whatever capacity) and the Guarantor is a party.

The Master Trust Deed specifies, *inter alia*, that in relation to each Series:

(i) following the distribution of the net proceeds of the Trust Assets in respect of the relevant Series to the Certificateholders in accordance with the Conditions and the relevant Trust Deed the obligations of the Trustee in respect of the Certificates shall be satisfied and the right of the Certificateholders to receive any further sums shall be extinguished and neither the Trustee nor the Delegate shall be liable for any further sums and, accordingly, the relevant Certificateholders may not take any action against the Trustee, the Delegate or any other person to recover any such sum or asset in respect of the relevant Certificates or the relevant Trust Assets;

(ii) no Certificateholder shall be entitled to proceed directly against the Trustee and/or Majid Al Futtaim Properties and/or the Guarantor, or provide instructions (not otherwise permitted by the Master Trust Deed) to proceed against the Trustee and/or the Guarantor and/or Majid Al Futtaim Properties under any Transaction Document unless (i) the Delegate having become bound so to proceed, fails to do so within a reasonable period of becoming so bound and such failure is continuing and (ii) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders of the relevant Series who propose to proceed directly against the Trustee, Majid Al Futtaim Properties or the Guarantor, as the case may be) holds at least one-fifth of the then aggregate outstanding face amount of the Certificates of the relevant Series. Under no circumstances shall the Delegate or any Certificateholders have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than pursuant to the Transaction Documents), and the sole right of the Delegate and the Certificateholders against the Trustee, Majid Al Futtaim Properties and the Guarantor shall be to enforce their respective obligations under the Transaction Documents;

(iii) the Delegate shall not be bound in any circumstances to take any action to enforce or realise the relevant Trust Assets or take any action against the Trustee and/or Majid Al Futtaim Properties and/or the Guarantor under any Transaction Document unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least one-fifth of the then aggregate outstanding face amount of the Certificates of the relevant Series and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing **provided that** the Delegate shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders; and

(iv) after enforcing or realising the relevant Trust Assets and distributing the net proceeds of the relevant Trust Assets in accordance with the terms of the relevant Trust Deed, the obligations of the Trustee and the Delegate in respect of the Series shall be satisfied and no Certificateholder may take any further steps against the Trustee and the Delegate to recover any further sums in respect of the relevant Series and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Certificates of the relevant Series shall be entitled in respect thereof to petition or to take any other steps for the winding-up of MAF Sukuk Ltd.

Subject to the terms and conditions of the Guarantee set out in the Master Trust Deed, the Guarantor shall unconditionally and irrevocably guarantee to the Trustee, the due and punctual payment of all of the Guaranteed Amounts as and when the same shall become due.

Negative Pledge

Each of Majid Al Futtaim Properties and the Guarantor will covenant in Clause 4.14(a) of the Master Trust Deed that it will not, and the Guarantor will ensure that no Principal Subsidiary will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a Security Interest), other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of any Relevant Indebtedness or Relevant Sukuk Obligation, given by it without at the same time or prior thereto securing all amounts payable by it to MAF Sukuk Ltd. under the Transaction Documents to which it is a party equally and rateably therewith or providing such other security for the payment of such amounts by it under the Transaction Documents to which it is a party as either (i) the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of the Certificateholders; or (ii) as shall be approved by an Extraordinary Resolution of the Certificateholders.

Financial Covenants

The Guarantor will undertake in Clause 4.14(b) of the Master Trust Deed that, if specified as being applicable in the relevant Supplemental Trust Deed, so long as any Certificate remains outstanding and unless otherwise specified in the relevant Supplemental Trust Deed:

(i) it will not, and will not permit any of its Subsidiaries to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to Incur or, as appropriate, an Incurrence) any Financial Indebtedness (other than Permitted Financial Indebtedness); **provided that** the Guarantor and its Subsidiaries will be permitted to Incur additional Financial Indebtedness if:

(A) no Potential Dissolution Event or Dissolution Event would occur and be continuing; and

(B) the ratio of Consolidated Total Net Indebtedness to Total Equity (the "**Total Net Indebtedness to Total Equity Ratio**") does not exceed a ratio of 1:1; and

(C) on the date of such Incurrence the ratio of Consolidated EBITDA to Consolidated Net Finance Costs (the "**EBITDA to Net Finance Costs Ratio**") is not less than 1.5:1; and

(ii) it will not, and will not permit any of its Subsidiaries to, grant any Security Interest over assets the value (calculated in the manner set out in the definition of Total Assets below) of which (when aggregated with the value of any other asset that is subject to a Security Interest which is not a Permitted Lien) exceeds an amount equal to 49 per cent. of the Total Assets of the Group at the time (the "**Secured Assets to Total Assets Percentage**").

The provisions of Clause 4.14(b) of the Master Trust Deed shall not apply for so long as Majid Al Futtaim Holding has Investment Grade Status. However, the provisions of Clause 4.14(b) of the Master Trust Deed shall immediately apply if and for so long as Majid Al Futtaim Holding ceases to have Investment Grade Status.

For these purposes:

"**Borrowings**" means, at any time, the outstanding principal, capital or nominal amount and any fixed or minimum premium payable on prepayment or redemption of any indebtedness for or in respect of Financial Indebtedness determined by reference to the most recent consolidated audited financial statements of the Group and, for the purposes of the definition of "Consolidated Total Net Indebtedness" only, taking account of the Incurrence or repayment of any Borrowings since that date;

"**Consolidated Cash and Cash Equivalents**" means, at any time:

(a) cash in hand or on deposit with any acceptable bank;

(b) certificates of deposit, maturing within one year after the relevant date of calculation, issued by an acceptable bank;

(c) any investment in marketable obligations issued or guaranteed by the government of the United States of America or the United Kingdom or any other government of a state having an equivalent credit rating (an Acceptable Government) or by an instrumentality or agency of an Acceptable Government having an equivalent credit rating;

(d) open market commercial paper:

(i) for which a recognised trading market exists;

(ii) issued in the United States of America or the United Kingdom;

(iii) which matures within one (1) year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 by Standard & Poor's or Fitch or P-1 by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating; or

(e) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an acceptable bank or any dematerialised equivalent, in each case, to which any member of the Group is beneficially entitled at that time. An acceptable bank for this purpose is a commercial bank or trust company which has a rating of BBB minus or higher by Standard & Poor's or Fitch or Baa3 or higher by Moody's or a comparable rating from a nationally recognised credit rating agency for its long-term obligations;

"**Consolidated EBIT**" means, in relation to any period, the consolidated operating profit of the Group before taxation:

(a) before deducting any Consolidated Finance Costs;

(b) not including any accrued interest owing to any member of the Group;

(c) before taking into account any Exceptional Items;

(d) after deducting the amount of any profit of any Non-Group Entity to the extent that the amount of the profit included in the most recently available audited consolidated financial statements of the Guarantor exceeds the amount actually received in cash by members of the Group through distributions by the Non-Group Entity; and

(e) before taking into account any unrealised gains or losses on any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis),

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation;

"**Consolidated EBITDA**" means, in relation to any period, Consolidated EBIT for the immediately preceding Measurement Period after adding back any amount attributable to the amortisation, depreciation or impairment of assets of members of the Group (and taking no account of the reversal of any previous impairment charge made in that period);

"**Consolidated Finance Costs**" means, for any period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Borrowings whether such amounts were paid or payable (but excluding any such amounts which were capitalised) by any member of the Group (calculated on a consolidated basis) during the immediately preceding Measurement Period:

(a) including any amortised upfront management or arrangement fees or costs;

(b) including the interest (but not the capital) element of payments in respect of Finance Leases;

(c) including any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any member of the Group under any interest rate hedging arrangement (other than an amount payable on the termination of any interest rate hedging agreement); and

(d) excluding any dividends on preference shares, so that no amount shall be added (or deducted or excluded) more than once;

"**Consolidated Interest Receivable**" means, in respect of any period, all interest and other financing charges received or receivable by the Group during the immediately preceding Measurement Period calculated on a consolidated basis;

"**Consolidated Net Finance Costs**" means, in respect of any period, Consolidated Finance Costs for the immediately preceding Measurement Period less Consolidated Interest Receivable for the immediately preceding Measurement Period calculated on a consolidated basis;

"**Consolidated Total Net Indebtedness**" means at any time the aggregate amount of all obligations of the Group for or in respect of Borrowings but deducting the aggregate amount of Consolidated Cash and Cash Equivalents held by the Group at such time, and so that no amount shall be included or excluded more than once;

"**EBIT**" shall have the same meaning as Consolidated EBIT save that (i) all references in the definition of Consolidated EBIT to: (a) "consolidated" (and similar expressions) shall be deemed to be deleted; and (b) "Group" shall be construed as a reference to the "relevant Subsidiary"; and (ii) the definition of "Consolidated Finance Costs" used therein shall be construed to refer only to the relevant Subsidiary;

"**EBITDA**" shall have the same meaning as Consolidated EBITDA save that references in the definition of Consolidated EBITDA to "Consolidated EBIT" and "member of the Group" (and similar expressions) shall be deemed to be references to "EBIT" and the "relevant Subsidiary", respectively;

"**Exceptional Items**" means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

(a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(b) disposals, revaluations or impairments of non-current assets (other than disposals of Investment Properties, to the extent they are classified as non-current assets); and

(c) disposals of assets associated with discontinued operations; Finance Lease means any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any Non-Recourse Project Financing, Securitisation and any forward sale or purchase agreement) having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) (inclusive) above but without double counting where Financial Indebtedness is both borrowed and guaranteed (or indemnified against) by different Group companies);

"**Fitch**" means Fitch Ratings Ltd;

"**GMTN Programme Issuer**" means MAF Global Securities Limited or any other company substituted as principal debtor of any notes issued under and constituted by an amended and restated trust deed dated 7 April 2015 between, *inter alios*, MAF Global Securities, Majid Al Futtaim Properties and the Guarantor relating to a U.S.$3,000,000,000 Global Medium Term Note Programme;

"**Group**" means the Guarantor and its Subsidiaries taken as a whole; IFRS means International Financial Reporting Standards;

"**Indebtedness**" means all obligations, and guarantees or indemnities in respect of obligations, for moneys borrowed or raised (whether or not evidenced by bonds, debentures, notes or other similar instruments) other than any such obligations, guarantees or indemnities owing or given by one member of the Group to another member of the Group;

"**Investment Grade Rating**" means a rating equal to or higher than: (i) BBB- (or the equivalent) by Standard & Poor's; or (ii) BBB- (or the equivalent) by Fitch or in each case the equivalent thereof from any other Rating Agency (as applicable);

"**Investment Grade Status**" means that Majid Al Futtaim Holding has an Investment Grade Rating from at least two Rating Agencies;

"**Investment Properties**" means those assets designated as "Investment Properties" in the most recently available audited consolidated financial statements of the Guarantor;

"**Measurement Period**" means a period of 12 months ending on the last day of a financial year of the Guarantor for which consolidated audited financial statements are prepared;

"**Moody's**" means Moody's Investor Service, Inc.;

"**Non-Group Entity**" means any investment or entity (which is not itself a member of the Group (including associates and joint ventures)) in which any member of the Group has an ownership interest;

"**Non-Recourse Indebtedness**" means any present or future Indebtedness or Sukuk Obligation, as the case may be, of any Subsidiary with respect to which there is no contractual recourse against the Guarantor or any other Subsidiary of the Guarantor other than (i) recourse resulting from a pledge of shares of such Subsidiary held by the Guarantor or any of its Subsidiaries in order to secure such Indebtedness or Sukuk Obligation, (ii) recourse resulting from commitments entered into by the Guarantor prior to 31 December 2014 or (iii) recourse against any Subsidiary of such Subsidiary to secure such Indebtedness or Sukuk Obligation, as the case may be;

"**Non-recourse Project Financing**" means any financing of all or part of the costs of the acquisition, construction or development or any project, **provided that** (i) any Security Interest given by Majid Al Futtaim Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, is limited solely to assets of the project; (ii) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the moneys advanced; and (iii) there is no other recourse to Majid Al Futtaim Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, in respect of any default by any person under the financing;

"**Non-Recourse Subsidiary**" means any Subsidiary whose Non-Recourse Indebtedness represents at any relevant time more than 50 per cent. of its aggregate Indebtedness or Sukuk Obligations, as the case may be;

"**Permitted Financial Indebtedness**" means:

(a) any Financial Indebtedness outstanding on the Issue Date of the first Tranche of the Certificates;

(b) Financial Indebtedness owed by the Guarantor or any Subsidiary of the Guarantor to the Guarantor or any other Subsidiary of the Guarantor; **provided, however, that** any subsequent disposition, pledge or transfer of such Financial Indebtedness (other than to the Guarantor or a Subsidiary of the Guarantor) shall be deemed, in each case, to constitute the Incurrence of such Financial Indebtedness by the obligor thereof;

(c) Financial Indebtedness of the Guarantor or a Subsidiary of the Guarantor Incurred and outstanding on or prior to the date on which such Subsidiary became a Subsidiary of the Guarantor (other than Financial Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilised to consummate, the transaction or series of related transactions pursuant to which the Subsidiary became a Subsidiary of the Guarantor);

(d) Refinancing Financial Indebtedness Incurred by the Guarantor or a Subsidiary of the Guarantor in respect of Financial Indebtedness Incurred by the Guarantor or a Subsidiary of the Guarantor pursuant to Clause 4.14(b)(i) of the Master Trust Deed or pursuant to paragraph (a), (b) or (c) above;

(e) any amounts owed to suppliers in respect of goods supplied in the ordinary course of business; and

(f) any amounts owed in respect of transactions entered into (including, without limitation, letters of credit) to facilitate trade finance in the ordinary course of business;

"**Permitted Lien**" means:

(a) any Security Interest comprising a netting or set-off arrangement entered into by a member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances; and

(b) any lien arising by operation of law and in the ordinary course of business;

"**Permitted Reorganisation**" means:

(a) any winding-up or dissolution of a Principal Subsidiary, Majid Al Futtaim Properties or the Guarantor whereby the undertaking or assets of that Principal Subsidiary are transferred to or otherwise vested in Majid Al Futtaim Properties and/or the Guarantor and/or any of Majid Al Futtaim Properties' or the Guarantor's, as the case may be, other Subsidiaries **provided that**, in the case of Majid Al Futtaim Properties and the Guarantor and such transfer to or vesting in another Subsidiary, at the same time or prior to any such transfer or vesting (i) all amounts payable by Majid Al Futtaim Properties under each Transaction Document to which it is a party have been assumed by such other Subsidiary and (ii) the payment of all amounts payable by the Guarantor under or pursuant to the Master Trust Deed has been guaranteed by such other Subsidiary by its assumption of the Guarantor's obligations under the guarantee given in Clause 4.1 of the Master Trust Deed; or

(b) any composition or other similar arrangement on terms previously approved in writing by the Delegate or by an Extraordinary Resolution;

"**Permitted Security Interest**" means:

(a) any Security Interest existing on the date on which agreement is reached to issue the first Tranche of the Certificates;

(b) any Security Interest securing the Relevant Indebtedness or Relevant Sukuk Obligation of a person existing at the time that such person is merged into, or consolidated with, Majid Al Futtaim Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, **provided that** such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of Majid Al Futtaim Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be;

(c) any Security Interest existing on any property or assets prior to the acquisition thereof by Majid Al Futtaim Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, and not created in contemplation of such acquisition; or

(d) any renewal of or substitution for any Security Interest permitted by any of paragraphs (a) to (c) (inclusive) of this definition, **provided that** with respect to any such Security Interest the principal amount secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets);

"**Principal Subsidiary**" means at any time the GMTN Programme Issuer and a Subsidiary, other than a NonRecourse Subsidiary, of the Guarantor:

(a) whose EBITDA (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, are equal to) not less than 10 per cent. of Consolidated EBITDA or, as the case may be, consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Guarantor and its Subsidiaries, **provided that** in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Guarantor;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Guarantor which immediately prior to such transfer is a Principal Subsidiary, **provided that** the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Guarantor and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, generate EBITDA equal to) not less than 10 per cent. of Consolidated EBITDA, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, **provided that** the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate EBITDA equal to) not less than 10 per cent. Of Consolidated EBITDA, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph on the date on which the consolidated accounts of the Guarantor and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Master Trust Deed.

A report by two Authorised Signatories of the Guarantor (whether or not addressed to the Delegate) that in their opinion a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Delegate without further enquiry or evidence and, if relied upon by the Delegate, shall, in the absence of manifest error, be conclusive and binding on all parties;

"**Rating Agencies**" means (i) Standard & Poor's, (ii) Fitch and (iii) if any one or more of Standard & Poor's or Fitch do not make a rating of Majid Al Futtaim Holding publicly available, one or more internationally recognised securities rating agencies selected by Majid Al Futtaim Holding;

"**Refinancing**" means, in respect of any Financial Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, or to issue other Financial Indebtedness in exchange or replacement for, such Financial Indebtedness;

"**Relevant Indebtedness**" means any Indebtedness, other than Indebtedness incurred in connection with a Non-recourse Project Financing or a Securitisation, which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, certificates or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market;

"**Relevant Sukuk Obligation**" means any Sukuk Obligation, other than a Sukuk Obligation incurred in connection with a Non-recourse Project Financing or a Securitisation, where the trust certificates or instruments, as the case may be, concerned for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market;

"**Securitisation**" means any securitisation of existing or future assets and/or revenues, **provided that** (i) any Security Interest given by Majid Al Futtaim Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment of any other liability; and (iii) there is no other recourse to Majid Al Futtaim Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, in respect of any default by any person under the securitisation;

"**Standard & Poor's**" means Standard & Poor's Credit Market Services Europe Limited;

"**Subsidiary**" means in relation to any person (the first person), at any particular time, any person (the second person):

(a) which is then directly or indirectly controlled by the first person; or

(b) more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by the first person.

For the second person to be controlled by the first person means that the first person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that second person or otherwise controls, or has the power to control, the affairs and policies of the second person;

"**Sukuk Obligation**" means any undertaking or other obligation to pay any money given in connection with the issue of trust certificates or other instruments intended to be issued in compliance with the principles of Sharia, whether or not in return for consideration of any kind;

"**Total Assets**" means the aggregate value (less depreciation computed in accordance with international accounting standards) of all assets of the Group which are treated as assets determined in accordance with IFRS, as shown in the most recently available audited consolidated financial statements of the Guarantor or, if no such value is specified in those most recently available financial statements, the fair market value of such assets; and

"**Total Equity**" means at any time the aggregate of the amounts paid up or credited as paid up on the issued ordinary share capital of the Group including minority interests (on a consolidated basis) and the aggregate of the amounts standing to the credit of the reserves of each member of the Group, including any amount credited to the share premium account and revaluation reserves, determined by reference to the most recent consolidated audited financial statements of the Group, but adding or deducting (as the case may be):

(a) (to the extent included) any amount shown in respect of goodwill or other intangible assets of each member of the Group;

(b) (to the extent included) any provision or credit for deferred taxation which relates to the revaluation of any item which is excluded from the calculation of Total Equity;

(c) any amount in respect of any dividend or distribution declared, recommended or made by any member of the Group and to the extent such distribution is not provided for in the most recently available audited consolidated financial statements of the Guarantor; and

(d) the amount raised in respect of any issue of ordinary share capital, including amounts credited to share premium account, and so that no amount shall be included or excluded more than once.

Majid Al Futtaim Properties Events and Guarantor Events

Each of Majid Al Futtaim Properties and the Guarantor will agree in the Master Trust Deed that each of the following events which are expressed to apply to Majid Al Futtaim Properties will constitute a "**Majid Al Futtaim Properties Event**" and the Guarantor agrees that each of the following events which are expressed to apply to the Guarantor and/or a Principal Subsidiary (other than, for the purposes of this definition, Majid Al Futtaim Properties) will constitute a "**Guarantor Event**", in each case, for the purposes of Condition 14 (but in the case of the happening of any of the events described in paragraph (b) or (d) (other than the winding up or dissolution of Majid Al Futtaim Properties or the Guarantor) or paragraph (e) to (h) inclusive below (other than the happening of any such event in relation to Majid Al Futtaim Properties or the Guarantor), only if the Delegate shall have certified in writing to the Trustee, Majid Al Futtaim Properties and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Certificateholders):

(a) if default is made (i) (in the case of Majid Al Futtaim Properties) in the payment of (A) any Asset Portfolio Income Revenues (as defined in the Management Agreement) to be paid into the Transaction Account by the Services Agent in accordance with the terms of the Management Agreement and the default continues for a period of 14 Business Days; or (B) any amounts payable in respect of the Deferred Sale Price, the Asset Portfolio Exercise Price, the Certificateholder Put Option Exercise Price, the Change of Control Exercise Price, any Asset Portfolio Principal Revenues payable to the Trustee in accordance with clause 6.5 of the Management Agreement or any Total Loss Shortfall Amount and the default continues for a period of seven Business Days, or (ii) (in the case of the Guarantor), any amounts payable by it pursuant to the Guarantee, and the default continues for a period of seven Business Days; or

(b) if Majid Al Futtaim Properties or the Guarantor fails to perform or observe any of its other obligations under the Transaction Documents to which it is a party and (except in any case where, in the opinion of the Delegate, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Delegate on the Trustee or Majid Al Futtaim Properties or the Guarantor (as the case may be) of notice requiring the same to be remedied, except that a failure by Majid Al Futtaim Properties (acting in its capacity as Services Agent) to comply with its obligations set out in any of Clauses 3.1(c), 3.4 and 3.6(c) of the Management Agreement will not constitute a Majid Al Futtaim Properties Event; or

(c) if (i) the holders of any Indebtedness or Sukuk Obligation of Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary accelerate such Indebtedness or Sukuk Obligation or declare such Indebtedness or Sukuk Obligation to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment or pursuant to an option granted to the holders by the terms of such Indebtedness or Sukuk Obligation), prior to the stated maturity thereof or (ii) Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary fails to pay in full any principal of, or interest or profit, as the case may be, on, any of its Indebtedness or Sukuk Obligations when due (after expiration of any applicable grace period) or any guarantee of any Indebtedness or Sukuk Obligation of others given by Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary shall not be honoured when due and called upon; **provided that** the aggregate amount of the relevant Indebtedness, Sukuk Obligation or guarantee in respect of which one or more of the events mentioned above in this paragraph (c) shall have occurred equals or exceeds U.S.$40,000,000 (or its equivalent in any other currency or currencies); or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary, save in connection with a Permitted Reorganisation; or

(e) if Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business, save in connection with a Permitted Reorganisation, or Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) if (i) proceedings are initiated against Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official (and such proceedings are not being actively contested in good faith by Majid Al Futtaim Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be), or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary or, as the case may be, in relation to all or substantially all of the undertaking, assets or revenues of any of them and (ii) in any case (other than the appointment of an administrator) is not discharged within 30 days; or

(g) if Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) save, in all cases, in connection with a Permitted Reorganisation; or

(h) if any event occurs which under the laws of the United Arab Emirates or any Emirate therein has an analogous effect to any of the events referred to in paragraphs (d) to (g) (inclusive) above, or any event occurs which under the laws of the jurisdiction under which the relevant Principal Subsidiary is incorporated or constituted has an analogous effect to any of the events referred to in paragraphs (d) to (g) (inclusive) above; or

(i) if any Security Interest, present or future, created or assumed by Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary and securing an amount which equals or exceeds U.S.$40,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and any step is taken to enforce the Security Interest (including the taking of possession or the appointment of a receiver, manager or other similar person, but excluding the issue of any notification to Majid Al Futtaim Properties, the Guarantor or any Principal Subsidiary, as the case may be, that such Security Interest has become enforceable) unless the full amount of the debt which is secured by the relevant Security Interest is discharged within 60 days of the later of the first date on which: (a) a step is taken to enforce the relevant Security Interest; or (b) Majid Al Futtaim Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, is notified that a step has been taken to enforce the relevant Security Interest; or

(j) if the Guarantee ceases to be, or is claimed by Majid Al Futtaim Properties or the Guarantor not to be, in full force and effect.

The Guarantor will agree in the Master Trust Deed that all payments by the Guarantor under its guarantee will made without set off or counterclaim of any kind and without any deduction or withholding for or on account of tax unless required by law and, in the event that there is any such set off, counterclaim, deduction or withholding, the Guarantor shall pay all additional amounts as will result in the receipt by each of the Trustee or the Delegate, as the case may be, of such net amounts as would have been received by it if no such set off, counterclaim, deduction or withholding had been made.

The payment obligations of the Guarantor under its guarantee will be direct, unconditional and (subject to the provisions of Clause 4.14(a) of the Master Trust Deed (as described above)) unsecured obligations of the Guarantor and shall rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

Pursuant to the Master Trust Deed, Majid Al Futtaim Properties (failing which the Guarantor) will pay certain fees and reimburse certain expenses of, and indemnify against certain liabilities incurred by, among others, the Delegate and the Agents.

TAXATION

The following is a general description of certain tax considerations relating to Certificates issued under the Programme. It does not purport to be a complete analysis of all tax considerations relating to the Certificates. Prospective purchasers of any 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 the relevant Certificates and receiving payments under those Certificates. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

United Arab Emirates

The following summary of the anticipated tax treatment in the UAE in relation to payments on the Certificates is based on the taxation law in force as at the date of this Base Prospectus, and does not constitute legal or tax advice. Prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change.

There is currently in force in the emirates of Abu Dhabi and Dubai legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE, Abu Dhabi or Dubai taxation in respect of payments made under the Guarantee. In the event of the imposition of any such withholding, the Guarantors have undertaken to gross-up any payments subject to certain limited exceptions.

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries, but these are not extensive in number.

Cayman Islands

The following is a discussion on certain Cayman Islands income tax consequences of an investment in Certificates to be issued under the Programme. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws payments on Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of Certificates nor will gains derived from the disposal of Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. An instrument transferring title to any Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is approximately U.S.$853.66. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

The Proposed Financial Transactions Tax

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

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Certificates (including secondary market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (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 the Certificates are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, commonly referred to as "**FATCA**", impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to: (i) any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA; and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Trustee (a "**Recalcitrant Holder**"). The Trustee may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to payments of gross proceeds (including principal payments) from the disposition of property that can produce U.S. source interest and dividends beginning 1 January 2019 and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially apply to payments in respect of: (i) any Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register and (ii) any Certificates characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Certificates are issued on or before the grandfathering date, and additional Certificates of the same Series are issued after that date, the additional Certificates may not be treated as grandfathered, which may have negative consequences for the existing Certificates, including a negative impact on market price.

The United States and a number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, it is expected that an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States has entered into IGAs based largely on the Model 1 IGA with the Cayman Islands (the "**US-Cayman Islands IGA**") and the United Arab Emirates (the "**US-UAE IGA**").

If the Trustee or Guarantor are treated as Reporting FIs pursuant to the US-Cayman Islands IGA and the US-UAE IGA, as applicable, they do not anticipate that they will be obliged to deduct any FATCA Withholding on payments they make. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Certificates in the future. To the extent that any

FATCA Withholding on the Certificates is required, neither the Trustee, Guarantor nor any paying agent nor any other person would, pursuant to the Terms and Conditions of the Certificates, be required to pay additional amounts as a result of the deduction or withholding.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the US-Cayman Islands and US-UAE IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Trustee and to payments they may receive in connection with the Certificates.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the "**Programme Agreement**") dated 31 May 2016, agreed with the Trustee, Majid Al Futtaim Properties and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Certificates. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Certificates*". In the Programme Agreement, each of the Trustee, Majid Al Futtaim Properties and the Guarantor has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue, offer and sale of Certificates under the Programme.

SELLING RESTRICTIONS

United States

Neither the Certificates nor the Guarantee have been nor will be registered under the U.S. Securities Act of 1933 as amended (the *"***Securities Act***"*), and the Certificates may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined by Regulation S under the Securities Act (*"***Regulation S***"*)) except in accordance with Regulation S or pursuant to an exemption from the registration requirement of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver any Certificates (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Certificates on a syndicated basis, the relevant lead manager, of all Certificates of the Tranche of which such Regulation S Certificates are a part, within the United States, or for the account or benefit of, U.S. persons, other than pursuant to Rule 144A or in offshore transactions pursuant to Regulation S, and such Dealer will have sent to each dealer to which it sells Certificates during the distribution compliance period relating thereto, 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. Each Dealer who purchases Certificates (or in the case of a sale of Certificates issued to or through more than one Dealer, each of such Dealers as to the Certificates to be purchased by or through it, or, in the syndicated issue, the relevant lead manager) shall determine and certify to the Principal Paying Agent the completion of the distribution of such Certificates. On the basis of such notification or notifications, the Principal Paying Agent has agreed to notify such Dealer/lead manager of the end of the distribution compliance period with respect to such Certificates.

Terms used in the paragraph above have the meaning given to them by Regulation S.

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

Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to any Certificate, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Certificates to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; or

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee or Guarantor for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Certificates referred to in (a) to (c) above shall require the Trustee, Majid Al Futtaim Properties, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Certificates to the public**" in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Certificates which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee, Majid Al Futtaim Properties or the Guarantor; and

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

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make any offer or invitation (whether directly or indirectly) to the public of the Cayman Islands to subscribe for any Certificates.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer or sell any Certificates in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and any regulations of Japan.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the 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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Certificates to any person in the 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.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the 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 10 or Article 11 of the "**Offers of Securities Regulations**" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 128-2008 dated 18 August 2008 (the "**KSA Regulations**"), made through a person authorised by the Capital Market Authority ("**CMA**") to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

Kingdom of Bahrain

This Base Prospectus does not constitute an offer to: (i) the Public (as defined in Articles 142- 146 of the Commercial Companies Law (Decree Law No. 21/2001 of Bahrain)) in the Kingdom of Bahrain; or (ii) any person in the Kingdom of Bahrain who is not an accredited investor.

For this purpose, an "**accredited investor**" means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more;

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will only make an offer pursuant to the Base Prospectus available on a private placement basis to persons in the Kingdom of Bahrain who are accredited investors (as defined above).

State of Qatar (excluding the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Certificates in the State of Qatar (including the Qatar Financial

Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar; and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar. This Base Prospectus has not been reviewed or approved by the Qatar Central Bank, the Qatar Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority and is only intended for specific recipients, in compliance with the foregoing.

Singapore

This Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Certificates or caused such Certificates to be made the subject of an invitation for subscription or purchase and that it will not offer or sell any Certificates or cause such Certificates to be made the subject of an invitation for subscription or purchase, nor will it circulate or distribute this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Certificates, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

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

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in 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:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates, except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than: (i) to "**professional investors**" within the meaning of the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the

Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" within the meaning of the SFO and any rules made under the SFO.

Malaysia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia (the "**CMSA**"); and

(b) accordingly, the Certificates have not been and will not be issued, offered or sold, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under: (i) Schedule 6 or Section 229(1)(b) and Schedule 7 or Section 230(1)(b) and (ii) Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the CMSA, subject to any law, order, regulation, or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers any Certificates or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Trustee, Majid Al Futtaim Properties, the Guarantor, the Delegate and any other Dealer shall have any responsibility therefor.

None of the Trustee, Majid Al Futtaim Properties, the Guarantor, the Delegate and any of the Dealers represents that Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale. Persons into whose possession this Base Prospectus or any Certificates may come must inform themselves about and observe any applicable restrictions on the distribution of this Base Prospectus and the offering and sale of any Certificates.

With regard to each Series, the relevant Dealer will be required to comply with any additional restrictions agreed between the Trustee, Majid Al Futtaim Properties, the Guarantor and the relevant Dealer and set out in the relevant subscription agreement.

GENERAL INFORMATION

Authorisation

The establishment and the current update of the Programme and the issue of Certificates have been duly authorised by resolutions of the Board of Directors of the Trustee dated 4 January 2012 and 9 May 2016. The Trustee has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the issue and performance of Certificates to be issued under the Programme and the execution and performance of the Transaction Documents. The entry into of the Transaction Documents to which it is a party has been duly authorised by a resolution of the shareholders of Majid Al Futtaim Properties dated 30 September 2015 and a resolution of the shareholders of the Guarantor approving the Guarantee dated 30 September 2015.

Listing

This Base Prospectus has been approved by the Central Bank as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval related only to Certificates which are to be admitted to trading on the Main Securities Market or any other MiFID Regulated Market and/or which are to be offered to the public in any Member State. Application has been made to the Irish Stock Exchange for Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Irish Official List and to trading on the Main Securities Market. The listing of the Programme in respect of Certificates is expected to be granted on or around 31 May 2016. It is expected that each Tranche of Certificates which is to be admitted to the Irish Official List and to trading on the Main Securities Market will be admitted separately, as and when issued, subject only to the issue of the Global Certificate initially representing the Certificates of the relevant Tranche.

Application has also been made to the DFSA for Certificates issued under the Programme to be admitted to the Dubai Official List of securities. The Programme is expected to be admitted to the DFSA's Official List on or around 31 May 2016. An application may be made for any Tranche to be admitted to trading on NASDAQ Dubai.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available in physical form, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the offices of the Trustee and the Paying Agent for the time being in London:

(a) the Transaction Documents (including the Master Trust Deed which incorporates the Guarantee) including each Supplemental Trust Deed, each Supplemental Purchase Contract, each Supplemental Lease Contract (if relevant) and each Murabaha Contract (if relevant) in relation to each Series (save that any such documents relating to a Series which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Certificate and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of the relevant Certificates and identity);

(b) the Articles of Association of the Trustee and the Articles of Association (with an English translation thereof) of each of Majid Al Futtaim Properties and the Guarantor. The English translation of each of Majid Al Futtaim Properties' and the Guarantor's Articles of Association is direct and accurate. However, in case of conflict or discrepancy between the Arabic version of the Articles of Association of Majid Al Futtaim Properties and/or the Guarantor and their respective English translation, the Arabic version of the Articles of Association shall prevail;

(c) the consolidated audited financial statements of each of Majid Al Futtaim Properties and the Guarantor in respect of the two financial years ended 31 December 2014 and 31 December 2015, in each case together with the audit reports prepared in connection therewith. Each of Majid Al Futtaim Properties and the Guarantor currently prepares audited consolidated accounts on an annual basis;

(d) the audited financial statements of the Trustee for the years ended 31 December 2014 and 31 December 2015 together with the audit reports prepared in connection therewith. The Trustee currently prepares audited financial statements on an annual basis;

(e) this Base Prospectus;

(f) the pronouncements of a member of the Executive Committee of the Fatwa and Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC, the Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia, the Executive Shariah Committee of HSBC Saudi Arabia Limited and the Sharia Supervisory Committee of Standard Chartered Bank approving the transaction structure relating to the Certificates (as described in this Base Prospectus); and

(g) any future offering circulars, prospectuses, information memoranda and supplements including applicable Final Terms (save that a Final Terms relating to a Certificate which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Certificate and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of the relevant Certificates and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

The Base Prospectus will be available for viewing on the website of the Central Bank (*http://www.centralbank.ie*). The Base Prospectus will be also available for viewing on the website of the DFSA (*http://www.dfsa.ae*).

Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

The appropriate Common Code and ISIN for each Series will be specified in the applicable Final Terms.

If the Certificates are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg S.A. is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since 31 December 2015.

There has been no significant change in the financial or trading position of each of Majid Al Futtaim Properties and the Guarantor and their respective subsidiaries, taken as a whole since 31 December 2015 and there has been no material adverse change in the prospects of each of Majid Al Futtaim Properties and the Guarantor and their respective subsidiaries, taken as a whole since 31 December 2015.

Litigation

None of the Trustee, the Guarantor, Majid Al Futtaim Properties or any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee, the Guarantor or Majid Al Futtaim Properties are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Trustee, the Guarantor, Majid Al Futtaim Properties or the Group.

Auditors

The auditors of each of the Trustee, Majid Al Futtaim Properties and the Guarantor are KPMG Lower Gulf Limited, chartered accountants, who have audited each of Majid Al Futtaim Properties', the Guarantor's and the Trustee's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 31 December 2014 and 31 December 2015 in relation to the Guarantor, Majid Al Futtaim Properties and the Trustee. KPMG Lower Gulf Limited have reviewed the Majid Al Futtaim Properties and the Guarantors consolidated Financial Statements for the financial year ended 31 December 2015 without qualification, in accordance with IFRS. The auditors of each of Majid Al Futtaim Properties, the Guarantor and the Trustee have no material interest in either Majid Al Futtaim Properties, the Guarantor or the Trustee.

KPMG Lower Gulf Limited is an institution authorised by the Ministry of Economy of the UAE to conduct independent audits of corporations in the United Arab Emirates. KPMG Lower Gulf Limited is a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative (as Swiss entity).

Sharia Boards

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by a member of the Executive Committee of the Fatwa and Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC, the Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia, the Executive Shariah Committee of HSBC Saudi Arabia Limited and the Sharia Supervisory Committee of Standard Chartered Bank. The composition of such Sharia supervisory boards are disclosed below.

Executive Committee of the Fatwa and Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC

- Dr. Abdul Sattar Abu Ghudda (Vice Chairman, Chairman of Executive Committee)

  Dr. Abdul Sattar Abu Ghudda holds a PhD in Islamic law and comparative Fiqh from the Al Azhar University Cairo, Egypt. He has taught at various institutes, including at the Imam Al Da'awa Institute (Riyadh), the Religious Institute (Kuwait), and at the Sharia College of the Law Faculty in the Kuwait University. He is a Sharia Advisor to several international and local financial institutions world-wide and holds the positions of Sharia Advisor and Director of Department of Financial Instruments at Al-Baraka Investment Co., Saudi Arabia. He is an active member of Islamic Fiqh Academy and the Accounting & Auditing Organisation of Islamic Financial Institutions ("**AAOIFI**") and is also the Secretary General of the Unified Sharia Supervisory Board of Dallah Albaraka Group, Jeddah. He has also served in the Ministry of Awqaf, Kuwait and has written several books on Islamic finance.

- Dr. Jassim Ali Al Shamsi (Board and Executive Committee Member)

  Dr. Jassim holds a PhD in Civil Law as well as a Sharia diploma from the College of Law, Ain Shams University. He also holds a Licentiate in Sharia & Law from the UAE University. He is currently the Dean of Faculty of Sharia & Law in the UAE University. In addition to his extensive knowledge of Sharia law, he is a member of the board of AAOIFI, and Ajman Islamic bank and other regional Islamic Banks. He has been instructing in UAE University for more than 20 years and has extensive knowledge of structuring Islamic finance transactions and development of products that adhere to Sharia.

- Sheikh Nizam Yaquby (Board and Executive Committee Member)

  Sheikh Nizam Yaquby studied traditional Islamic studies under the guidance of eminent Islamic scholars from different parts of the world. He has a BA in economics and comparative religions and MSc in finance from the McGill University, Canada. He is a PhD candidate in Islamic law from the University of Wales. In addition to advising Citi and other Islamic finance institutions and funds, Sheikh Nizam Yaquby is a member of the Islamic Fiqh Academy and AAOIFI. Since 1976, Sheikh Nizam Yaquby has taught Tafsir, Hadith and Fiqh in Bahrain and is a Sharia Advisor to several international and local financial institutions world-wide. He has also published several articles and books on various Islamic subjects including on banking and finance.

The Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia

- Dr Hussain Hamed Hassan (Chairman)

  Dr Hussain holds a PhD and is the head of the Sharia Board of Dubai Islamic Bank and a member of Fatwa and Sharia boards of numerous other leading global Islamic finance institutions including Islamic Development Bank (IDB), Jeddah. For over 50 years, he has advised various central banks and regulators, has supervised the establishment and conversion of various Islamic financial institutions and advised Presidents of various Islamic Republics. He has established Islamic universities/faculties worldwide, including in Makkah, Islamabad, Kazakhstan and Libya. He is member of AAOIFI and the Islamic Financial Services Board, the International Fiqh Academy of the Organisation of the Islamic Conference, the Fiqh Academy of Muslim World League, Saudi Arabia and is also a President of American Muslim Jurists Association. Dr Hussain has authored 21 books and over 400 articles, has supervised translation of the Holy Quran into Russian and of 200 Islamic books into various languages.

- Dr. Mohamed Zoeir

  Dr. Zoeir holds a PhD in Islamic Economy and is a member of many Islamic Banks across the Middle East and Africa. He has authored numerous researches and studies in Islamic Finance and banking. Dr. Zoeir is also Sharia inspector, Secretary General of Board of Sharia at Dubai Islamic Bank, Chief Editor of Islamic Economics magazine.

- Dr. Muhammad Qaseem

  Dr. Muhammad Qaseem holds a PhD (Islamic Studies) from the Faculty of Usul ud Din, is the country head of Sharia of Dubai Islamic Bank Pakistan Limited (DIBPL) and has served as Sharia Board member of many other institutions. He also has written various articles on Islamic Banking. He has also been teaching various courses in various BA and MA programmes at the International Islamic University, Islamabad (IIUI). Dr. Muhammad Qaseem has many academic contributions, articles and literary and translation work.

- Dr. Muhammad Abdulrahim Sultan Al- Ulama

  Dr. Muhammad Sultan Al-Ulama holds a PhD in Islamic jurisprudence, is an assistant professor in various universities and a member of numerous academic committees. In addition to his contribution to worldwide seminars and conferences in the area of Islamic finance, he has published numerous articles and reports.

- Dr. Youssif Abdullah bin Saleh Al Shibly

  Dr. Youssif Al Shibly holds a PhD and is a comparative Fiqh professor in Saudi Arabia. He has contributed and presented many courses and training sessions to judges in Saudi Arabia. Dr. Al Shilby has also worked in Islamic institution in Washington, served as Sharia Board member of many other institutions and has published more than 17 reports and researches.

The Executive Shariah Committee of HSBC Saudi Arabia Limited

- Sheikh Nizam Yaquby

  See biography above under *"—Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC"*.

- Dr. Mohamed Ali ElGari

  Dr. Mohamed holds a PhD in Economics from the University of California. He is a professor of Islamic Economics at King Abdul Aziz University. He is an expert at the Islamic Jurisprudence Academies of the Organisation of Islamic Countries and has published several articles and books on Islamic Finance. Dr. Elgari is a member of Sharia Boards of many Islamic banks and Takaful companies including that of Dow Jones International Islamic Fund Market. He also sits in Sharia Boards of AAOIFI and is a member of the Advisory Board of Harvard Series on Islamic Law.

Sharia Supervisory Committee of Standard Chartered Bank

- Dr. Abdul Sattar Abu Ghudda

  See biography above under *"—Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC"*.

- Sheikh Nizam Yaquby

  See biography above under *"—Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC"*.

- Dr. Mohamed Ali ElGari

  See biography above under *"—The Executive Shariah Committee of HSBC Saudi Arabia Limited"*.

Certain Additional Information relating to Majid Al Futtaim Holding

Majid Al Futtaim Holding is registered as a limited liability company in Dubai (with register number 534314) under UAE Federal Law No. 8 of 1984 (as amended) as applicable to commercial companies (which has now been replaced by Federal Law No. 2 of 2015 concerning Commercial Companies (the "**New Commercial Companies Law**")) and was incorporated on 20 May 2002.

Majid Al Futtaim Holding has been incorporated for a term of 50 years expiring in May 2052, which term shall be lengthened or shortened by resolution of the general assembly of Majid Al Futtaim Holding in accordance with its Articles of Association (the Majid Al Futtaim Holding Articles). The Majid Al Futtaim Holding Articles provide that Majid Al Futtaim Holding shall be dissolved:

- unless renewed upon the expiry of its 50-year term;
- upon fulfilment of the objectives for which it was created;
- upon merger of Majid Al Futtaim Holding into another company;
- if shareholders holding 75 per cent. of Majid Al Futtaim Holding's capital decide in the general assembly to terminate the term of Majid Al Futtaim Holding;
- if all or most of Majid Al Futtaim Holding's assets have been damaged in such a manner that the remaining assets cannot be invested productively; or
- if Majid Al Futtaim Holding is dissolved pursuant to a court decision.

Majid Al Futtaim Holding changed its name from Majid Al Futtaim Group LLC to Majid Al Futtaim Holding LLC on 18 January 2011.

Majid Al Futtaim Holding's address and telephone number are PO Box 91100, Dubai, UAE and +971 (0)4 209 4657, respectively. This is also the address of each member of the Majid Al Futtaim Holding Board and senior executive management.

Certain Additional Information relating to Majid Al Futtaim Properties

Majid Al Futtaim Properties is registered as a limited liability company in Dubai (with register number 41429) under UAE Federal Law No. 8 of 1984 (as amended) as applicable to commercial companies (which, as noted above, has now been replaced by the New Commercial Companies Law) and was incorporated on 5 February 1994.

Majid Al Futtaim Properties has been incorporated for a term of 50 years expiring in February 2044, which term shall be lengthened or shortened by resolution of the general assembly of Majid Al Futtaim Properties in accordance with its Articles of Association (the Majid Al Futtaim Properties Articles). The Majid Al Futtaim Properties Articles provide that Majid Al Futtaim Properties shall be dissolved:

- unless renewed upon the expiry of its 50-year term;

- upon fulfilment of the purposes for which it was created;
- upon merger of Majid Al Futtaim Properties into another company;
- if shareholders holding 75 per cent. of Majid Al Futtaim Properties' capital decide in the general assembly to terminate the term of Majid Al Futtaim Properties;
- if all or most of Majid Al Futtaim Properties' assets have been damaged in such a manner that the remaining assets cannot be invested productively; or
- if Majid Al Futtaim Properties is dissolved pursuant to a court decision.

Majid Al Futtaim Properties' address and telephone number are PO Box 60811, Dubai, UAE and +971 (0)4 294 2444, respectively. This is also the address of each member of Majid Al Futtaim Properties' Board and senior executive management.

Dealers transacting with Majid Al Futtaim Properties and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, Majid Al Futtaim Properties (and its affiliates) and/or the Guarantor (and its affiliates) in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

TRUSTEE

MAF Sukuk Ltd.
c/o MaplesFS Limited
P.O. Box 1093
Queensgate House
Grand Cayman, KY1-1102
Cayman Islands

MAJID AL FUTTAIM PROPERTIES

Majid Al Futtaim Properties LLC
P.O. Box 60811
Dubai
United Arab Emirates

GUARANTOR

Majid Al Futtaim Holding LLC
P.O. Box 91100
Dubai
United Arab Emirates

DELEGATE

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

PRINCIPAL PAYING AGENT

Citibank, N.A.
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR AND TRANSFER AGENT
Citigroup Global Markets Deutschland AG
Reuterweg 16
60323 Frankfurt
Germany

MURABAHA AGENT

Citi Islamic Investment Bank E.C.
Citibank House, 5th Floor
Block 428, Road 2819
Al Seef District 1133
P. O. Box 548
Kingdom of Bahrain

AUDITORS TO MAJID AL FUTTAIM PROPERTIES, THE GUARANTOR AND THE TRUSTEE

KPMG Lower Gulf Limited
KPMG Emirates Towers
Sheikh Zayed Road
P.O. Box 3800
Dubai
United Arab Emirates

IRISH LISTING AGENT

Walkers Listing and Support Services Limited
The Anchorage
17-19 Sir John Rogerson's Quay
Dublin 2
Ireland

LEGAL ADVISERS

To the Trustee as to Cayman Islands law

Maples and Calder (Dubai) LLP
The Exchange Building, 5th Floor
Dubai International Financial Centre
P.O. Box 119980
Dubai
United Arab Emirates

To Majid Al Futtaim Properties and the Guarantor as to English and UAE law

Clifford Chance LLP
Level 15, Burj Daman
Dubai International Financial Centre
P.O. Box 9380
Dubai
United Arab Emirates

To the Arrangers and Dealers as to English and UAE law

Norton Rose Fulbright (Middle East) LLP
4th Floor, Gate Precinct Building 3
Dubai International Financial Centre
PO Box 103747
Dubai
United Arab Emirates

To the Delegate as to English law

Norton Rose Fulbright (Middle East) LLP
4th Floor, Gate Precinct Building 3
Dubai International Financial Centre
PO Box 103747
Dubai
United Arab Emirates

DEALERS

Abu Dhabi Islamic Bank
PO Box 313
Abu Dhabi
United Arab Emirates

Dubai Islamic Bank
PO Box 1080
Dubai
United Arab Emirates

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Standard Chartered Bank
PO Box 999
Dubai
United Arab Emirates