

IMPORTANT NOTICE

THIS OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE OUTSIDE OF THE UNITED STATES.

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THE ATTACHED DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGERS (AS DEFINED BELOW) AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS.

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THIS DOCUMENT IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. RATHER, THE COMMUNICATION OF THIS DOCUMENT AS A FINANCIAL PROMOTION IS ONLY BEING MADE TO THOSE PERSONS FALLING WITHIN ARTICLE 19(5) OR ARTICLE 49 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, OR TO OTHER PERSONS TO WHOM THIS DOCUMENT MAY OTHERWISE BE DISTRIBUTED WITHOUT CONTRAVENTION OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, OR ANY PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE MADE. THIS COMMUNICATION IS BEING DIRECTED ONLY AT PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. NO OTHER PERSON SHOULD RELY ON IT.

FOR A MORE COMPLETE DESCRIPTION OF RESTRICTIONS ON OFFERS AND SALES, SEE "*SUBSCRIPTION AND SALE*".

Confirmation of your representation: The attached document is delivered to you at your request and on the basis that by accessing, reading or making any other use of the document you shall be deemed to have represented to Arab Banking Corporation (B.S.C.), CIMB Investment Bank Berhad, Dubai Islamic Bank P.J.S.C., Dukhan Bank Q.P.S.C., Emirates NBD Bank PJSC, HSBC Bank plc, KFH Capital Investment Company K.S.C.C., Malayan Banking Berhad and Standard Chartered Bank (together, the "**Managers**"), The Secretary of State for Housing, Communities and Local Government ("**MHCLG**"), The Lords Commissioners of Her Majesty's Treasury ("**HMT**") and HM Treasury UK Sovereign Sukuk PLC (the "**Trustee**") that (i) you are located outside the United States; (ii) you consent to delivery by electronic

transmission; (iii) you will not transmit the attached document (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the prior written consent of the Managers; (iv) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the Certificates; and (v) you have understood and agree to the terms set out therein.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of MHCLG, HMT, the Trustee, the Managers nor any person who controls or is a director, officer, employee or agent of MHCLG, HMT, the Trustee, the Managers nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing this document, you consent to receiving it in electronic form. A hard copy of the document will be made available to you only upon request to the Managers.

You are reminded that the attached document has been delivered to you on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

You are reminded that the information contained in this document is not complete and may be changed. Neither the Managers nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with MHCLG, HMT, the Trustee or the offer. The Managers and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Managers or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction the offering shall be deemed to be made by the Managers or such affiliate on behalf of MHCLG, HMT and the Trustee in such jurisdiction.

Recipients of the attached document who intend to subscribe for or purchase any securities to be issued are reminded that any subscription or purchase may only be made on the basis of the information contained in the final version of the attached document.

If you received this document by e-mail, you should not reply by e-mail to this communication. Any reply e-mail communications, including those you generate by using the "Reply" function on the e-mail software, will be ignored or rejected. Your receipt of the electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.



HM TREASURY UK SOVEREIGN SUKUK PLC

(incorporated in the United Kingdom with limited liability)

Issue of £500,000,000 Certificates due 2026

The £500,000,000 trust certificates due 2026 (the "**Certificates**") of HM Treasury UK Sovereign Sukuk PLC (in its capacity as issuer and trustee, the "**Trustee**") will be constituted by a declaration of trust (the "**Declaration of Trust**") dated 1 April 2021 (the "**Issue Date**") entered into between the Trustee and The Secretary of State for Housing, Communities and Local Government ("**MHCLG**" or the "**Obligor**"). The Certificates confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from an undivided beneficial ownership interest in the assets of a trust declared by the Trustee pursuant to the Declaration of Trust (the "**Trust**") over the Trust Assets (as defined herein) and the Trustee will hold such Trust Assets upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder in accordance with the Declaration of Trust and the terms and conditions of the Certificates (the "**Conditions**"). The Lords Commissioners of Her Majesty's Treasury ("**HMT**") has undertaken to procure payments by, or the performance of any other obligation of, the Trustee and/or MHCLG under the Certificates or the Transaction Documents (as defined herein), respectively, by or on behalf of the Trustee and/or MHCLG, as applicable, and each Certificateholder has the right to bring a direct claim against HMT in relation thereto pursuant to the Procurement Undertaking (as more particularly described herein).

Periodic Distribution Amounts (as defined herein) shall be payable subject to and in accordance with the Conditions on the outstanding face amount of the Certificates from (and including) the Issue Date to (but excluding) 22 July 2026 (the "**Scheduled Dissolution Date**") at a rate of 0.333 per cent. per annum. The Certificates shall be redeemed on the Scheduled Dissolution Date and, other than as a result of the occurrence of a Total Loss Event (as defined in the Conditions), shall not be redeemed prior to such date.

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

The Certificates will be represented by interests in a global certificate in registered form (the "**Global Certificate**") which will be registered in the name of a nominee for, and deposited with, the common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Individual Certificates evidencing holdings of interests in the Certificates will be issued in exchange for interests in the Global Certificate only in certain limited circumstances described herein. Interests in the Certificates may also be held in the CREST system ("**CREST**") operated by Euroclear UK & Ireland Limited ("**EUI**").

The Certificates may only be offered, sold or transferred in registered form in minimum face amounts of £100,000 and integral multiples of £1,000 in excess thereof.

Application has been made to the Financial Conduct Authority (the "**FCA**") in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended (the "**FSMA**") for the Certificates to be admitted to the Official List of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Certificates to be admitted to trading on the London Stock Exchange's main market.

Structuring Adviser and Joint Lead Manager
HSBC

Joint Lead Managers

CIMB
Emirates NBD Capital

Dubai Islamic Bank
Standard Chartered Bank

Co-Lead Managers

Bank ABC
KFH Capital

Dukhan Bank
Maybank

The date of this Offering Circular is 30 March 2021

This Offering Circular does not qualify as a prospectus within the meaning of Article 8 of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"), nor under the EU Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor pursuant to Part VI of the FSMA, nor as listing particulars given in compliance with the listing rules made under Part VI of the FSMA by the FCA.

The Trustee accepts responsibility for the information contained in this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Trustee, MHCLG, HMT or the Managers (as defined below) to subscribe or purchase, any of the Certificates. None of the Managers, the Trustee, MHCLG or HMT 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.

The distribution of this Offering Circular and the offering of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Trustee, MHCLG, HMT and the Managers to inform themselves about and to observe any such restrictions. None of the Trustee, MHCLG, HMT or the Managers represent that this Offering Circular may be lawfully distributed, or that the Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, MHCLG, HMT or the Managers which is intended to permit a public offering of the Certificates or distribution of this Offering Circular in any jurisdiction where action for that purpose is required.

Accordingly, the Certificates may not be offered or sold, directly or indirectly, and neither this Offering Circular 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.

For a description of further restrictions on offers and sales of Certificates and distribution of this Offering Circular, see "*Subscription and Sale*".

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Trustee, MHCLG, HMT or the Managers. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Trustee, MHCLG or HMT since the date of this Offering Circular.

Neither this Offering Circular nor any other information supplied in connection with the issue of the Certificates (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Trustee, MHCLG, HMT or any of the Managers that any recipient of this Offering Circular or any other information supplied in connection with the issue of the 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, MHCLG and HMT. Furthermore, no comment is made or advice given by the Trustee, MHCLG, HMT or the Managers in respect of taxation matters relating to any Certificates or the legality of the purchase of Certificates by an investor under applicable or similar laws.

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained in this Offering Circular;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact such investment will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including where the currency for payments of amounts due under the Certificates (i.e. pounds sterling) is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The 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 the Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of such Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

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

To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Offering Circular, or for any other statement which is consistent with this Offering Circular which is made or purported to be made by a Manager or on its behalf in connection with the Trustee, MHCLG, HMT or the issue and offering of the Certificates. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. No representation, warranty or undertaking, expressed or implied, is made or given by or on behalf of the Managers or any of their respective affiliates, nor any person who controls them or any director, officer, employee or agent of them, or affiliate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this Offering Circular or for any acts or omissions of the Trustee, MHCLG, HMT or any other person in connection with this Offering Circular or the issue and offering of the Certificates and such persons do not accept responsibility or liability for any such information or opinions. Each person receiving the Offering Circular acknowledges that such person has not relied on any of the Managers or any of their affiliates in connection with its investigation of the accuracy of such information or its investment decision and each person must rely on its own assessment of the Trustee, MHCLG, HMT and/or the Certificates.

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. 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 under the Securities Act ("**Regulation S**").

The transaction structure relating to the Certificates (as described in this Offering Circular) has been approved by the Board Shariah Committee of CIMB Islamic Bank Berhad, the Executive Committee of the Shari'a Board of Dubai Islamic Bank PJSC, the Shari'ah Committee of Dukhan Bank Q.P.S.C., the Internal Sharia Supervisory Committee of Emirates NBD – Al Watani Al Islami, the HSBC Global Shariah Supervisory Committee and the Standard Chartered Bank Global Shariah Supervisory Committee. 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.

Stabilisation

In connection with the issue of the Certificates, HSBC Bank plc (the "**Stabilising Manager**") may effect transactions with a view to supporting the market price of the Certificates at a level higher than that which

might otherwise prevail, but in so doing, the Stabilising Manager shall act as principal and not as agent of the Trustee, MHCLG or HMT. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the Issue Date and, if begun, may be cease at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Certificates. The Stabilising Manager (or persons acting on behalf of the Stabilising Manager) must conduct such stabilisation in accordance with all applicable laws and rules.

Crown Proceedings Act 1947

Pursuant to the Crown Proceedings Act 1947, an action can be brought in the English courts against HMT in respect of a default by HMT in the performance of its obligations under the Procurement Undertaking. In proceedings against HMT before the English courts, the court has no power to grant an injunction or make an order for specific performance, but may instead make an order declaratory of the rights of the parties. No process of execution lies for enforcing satisfaction by HMT of any judgment.

NOTICE TO UK RESIDENTS

The Certificates constitute "alternative finance investment bonds" within the meaning of Article 77A of the Financial Services and Markets Act 2000 as amended by the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010. This Offering Circular 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 Offering Circular and any other marketing materials relating to the 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 (the "Financial Promotion Order"); (ii) persons falling within any of the categories of persons described in Article 49 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 Offering Circular or any other marketing materials in relation to the Certificates.

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

Any individual intending to invest in the Certificates should consult his professional adviser and ensure that he fully understands all the risks associated with making such an investment and that he has sufficient financial resources to sustain any loss that may arise from such investment.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Certificates issued in connection with this Offering Circular and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain ("CBB") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

This Offering Circular does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Offering Circular and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Offering Circular or any related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no

responsibility for the accuracy and completeness of the statements and information contained in this Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Offering Circular. No offer of securities will be made to the public in the Kingdom of Bahrain and this Offering Circular must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF MALAYSIA

The Certificates may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Offering Circular or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within any one of the categories of persons specified under Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3) read together with Schedule 9 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia ("CMSA") as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time. The Securities Commission Malaysia shall not be liable for any non-disclosure on the part of the Trustee, MHCLG or HMT and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Offering Circular.

Residents of Malaysia may be required to obtain relevant regulatory approvals, including approval from the Central Bank of Malaysia, to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Managers, the Trustee, MHCLG or HMT is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

This Offering Circular has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar. The Certificates have not been and will not be offered or sold at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering (including the Qatar Financial Centre). The Certificates are not and will not be traded on the Qatar Stock Exchange. The Certificates and interests therein will not be offered to investors domiciled or resident in the State of Qatar and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of the State of Qatar.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

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

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

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "CMP Regulations 2018"), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Certificates are prescribed capital markets products (as defined in the Securities and Futures

(Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

SECURITIES COMMISSION MALAYSIA

In accordance with the CMSA, a copy of this Offering Circular will be lodged with the Securities Commission Malaysia, which takes no responsibility for its contents. The issue, offer or invitation in relation to the Certificates in this Offering Circular or otherwise are subject to the fulfilment of various conditions precedent including without limitation, the lodgement of the documents and information in relation to the Certificates with the Securities Commission Malaysia ("SC Lodgement"). The SC Lodgement has been made pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued on 9 March 2015 and revised on 12 November 2020 as amended from time to time). The recipient of this Offering Circular acknowledges and agrees that the SC Lodgement shall not be taken to indicate that the Securities Commission Malaysia recommends the subscription or purchase of the Certificates. The Securities Commission Malaysia shall not be liable for any non-disclosure on the part of the Trustee, MHCLG or HMT and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Offering Circular.

UK MIFIR PRODUCT GOVERNANCE

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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INVESTMENT CONSIDERATIONS

The purchase of Certificates may involve certain considerations and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the considerations relating to and merits of an investment in the Certificates. Before making an investment decision, prospective purchasers of Certificates should consider carefully, in the light of their own financial circumstances and investment objectives, all of the information in this Offering Circular.

Each of the Trustee, MHCLG and HMT believes that the factors described below represent the principal considerations inherent in investing in the Certificates but none of the Trustee, MHCLG or HMT represents that the statements below regarding considerations relating to the holding of any Certificate are exhaustive. There may also be other considerations, including some which may not be presently known to the Trustee, MHCLG or HMT or which the Trustee, MHCLG or HMT currently deems immaterial, that may impact any investment in the Certificates.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision. Words and expressions defined in "Terms and Conditions of the Certificates" or "Summary of the Principal Transaction Documents" shall have the same meanings in this section.

Factors that may affect the Trustee's ability to fulfil its obligations under the Certificates

The Trustee will depend on receipt of payments from MHCLG to make payments to Certificateholders. The Trustee is a special purpose vehicle and has no operating history (save for the issuance of £200,000,000 certificates due 2019 which were fully redeemed in July 2019). The Trustee will not engage in any business activity other than the issuance of the Certificates, the acquisition of the Trust Assets as described herein, acting in its 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, which include its right to receive payments under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates will primarily be dependent upon receipt by the Trustee of all amounts due from MHCLG under the Transaction Documents. Therefore if MHCLG is unable to satisfy in full and on a timely basis its obligations under the Transaction Documents to which it is a party, notwithstanding the provisions of Condition 12 (*Certificateholder Claims*) and the rights of Certificateholders against HMT under the Procurement Undertaking (as described below), the Trustee may not be able to fulfil its own obligations under the Certificates.

The Certificates are limited recourse obligations and claims by Certificateholders are limited in the manner described in the Conditions

The Certificates are not debt obligations of the Trustee and are unsecured. Instead, the Certificates represent a beneficial ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of the Certificates is (subject as provided below) limited to the Trust Assets and the income from and proceeds of the Trust Assets are the sole source of payments by the Trustee on the Certificates. Certificateholders will otherwise have no recourse to any assets of the Trustee in respect of any shortfall in the expected amounts due under the Trust Assets.

Under no circumstances shall any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents). After enforcing or realising the Trust Assets and distributing the net proceeds of the Trust Assets in accordance with Condition 5(b) (*Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. There can be no assurance that the net proceeds of the realisation of, or enforcement with respect to, the Trust Assets will be sufficient to make all payments due in respect of the Certificates.

If the Trustee fails to comply with any of its obligations under the Certificates, including payment obligations, each Certificateholder shall be entitled to require HMT (pursuant to the provisions of the Procurement Undertaking) to procure compliance by or on behalf of the Trustee therewith. No claim may be brought by any Certificateholder against the Trustee directly except in circumstances where a claim has first been brought by such Certificateholder against HMT as described in the previous sentence and HMT

has failed to comply with its obligations under the Procurement Undertaking within a period of 30 days after the date on which such claim was brought against it.

The ability of the Trustee to perform its payment obligations in respect of Periodic Distribution Amounts and the Dissolution Distribution Amount will be conditional upon it receiving amounts (whether in the form of Rent, Supplementary Rent, the Exercise Price or payments following the occurrence of a Total Loss Event) that will be sufficient to enable the discharge of such payment obligations.

If MHCLG fails to comply with any of its obligations under the Transaction Documents to which it is a party, including payment obligations, each Certificateholder shall be entitled to require HMT (pursuant to the provisions of the Procurement Undertaking) to procure compliance by or on behalf of MHCLG therewith. Notwithstanding any other provision in the Conditions or in the Transaction Documents, the Trustee shall not be bound (and the Certificateholders shall have no right to direct the Trustee) to take any action against MHCLG (or any of its directors or officers, whether for breach of fiduciary duty or otherwise) pursuant to any of the Transaction Documents.

If HMT fails to procure the payment of any amount expressed to be payable by MHCLG under the Transaction Documents to which it is a party and/or by the Trustee under the Certificates, each Certificateholder shall be entitled to claim directly against HMT for its proportionate share of the unpaid amount, without double counting (but shall not, without prejudice to the above, be able to take any other action in respect thereof, including any action to redeem its Certificates or otherwise dissolve the Trust). The Trustee does not have any rights against HMT under the Procurement Undertaking and the obligations of HMT thereunder do not form part of the Trust Assets.

Total Loss Event

The Trust may be dissolved prior to the Scheduled Dissolution Date on the 30th day following the occurrence of a Total Loss Event (being the total loss or destruction of, or damage to the whole of, the Premises (as defined below) or any event or occurrence that renders the whole of the Premises permanently unfit for any economic use and the repair or remedial work in respect thereof is wholly uneconomical, as determined by the Servicing Agent) save where the Premises are substituted as provided in the Servicing Agency Agreement.

If a Total Loss Event occurs, the Servicing Agent will be required to forthwith notify the Trustee (in its capacity as landlord) of the same and the Trustee will be required to forthwith notify Certificateholders that (i) a Total Loss Event has occurred; and (ii) any Certificate should only be traded at a price equal to the outstanding face amount of the relevant Certificate from the date of such notice to the Certificateholders until the date of any further notice (which shall be provided following a substitution of the Premises as provided in the Servicing Agency Agreement) from the Trustee indicating that Certificates may be traded at any price. Limiting the trading price of the Certificates to their outstanding face amount following the occurrence of a Total Loss Event may adversely affect the liquidity and market value of the Certificates.

If a Total Loss Event occurs, and the Premises are not substituted pursuant to the terms of the Servicing Agency Agreement, amounts payable to Certificateholders upon the redemption of the Certificates as a result of such Total Loss Event will be satisfied by either: (i) the proceeds of any insurance policies which the Servicing Agent has obtained for and on behalf of the Trustee in respect of the Premises and/or any Total Loss Shortfall Amount payable under the Servicing Agency Agreement in connection therewith, as applicable; or (ii) a reimbursement payment due from MHCLG pursuant to a risk management strategy under the Servicing Agency Agreement in connection therewith, in either case, for an amount equivalent to the Total Loss Reimbursement Amount, which shall be sufficient to redeem the Certificates in full and which will be paid into the Transaction Account by no later than the 30th day after the occurrence of a Total Loss Event (see "*Summary of the Principal Transaction Documents – Servicing Agency Agreement*").

Sharia rules

The Board Shariah Committee of CIMB Islamic Bank Berhad, the Executive Committee of the Shari'a Board of Dubai Islamic Bank PJSC, the Shari'ah Committee of Dukhan Bank Q.P.S.C., the Internal Sharia Supervisory Committee of Emirates NBD – Al Watani Al Islami, the HSBC Global Shariah Supervisory Committee and the Standard Chartered Bank Global Shariah Supervisory Committee have confirmed that the Transaction Documents are, in their view, in compliance with the principles of *Sharia* as applicable to, and interpreted by, them. However, there can be no assurance that the Transaction Documents or the issue

and trading of the Certificates will be deemed to be *Sharia* compliant by any other *Sharia* board or *Sharia* scholars. None of the Trustee, MHCLG, HMT or the Managers makes any representation to potential investors as to the *Sharia* compliance of the Certificates and potential investors are reminded that, as with any *Sharia* views, differences in opinion are possible and different *Sharia* standards may be applied by different *Sharia* boards. Potential investors should obtain their own independent *Sharia* advice as to the compliance of the Transaction Documents and whether the Certificates will meet their individual standards of compliance and the issue and trading of the Certificates with *Sharia* principles, including the tradability of the Certificates on any secondary market. Questions as to the *Sharia* compliance of the Transaction Documents or the *Sharia* permissibility of the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents or the Certificates may, if in dispute, be the subject of court proceedings under the laws of England and Wales. In such circumstances, the courts will interpret the respective terms of the Transaction Documents or the Certificates (as the case may be) under English law (by which they are expressed to be governed) in determining the obligation of the parties thereunder.

Holding CREST depository interests

Certificateholders may hold interests in the Certificates in CREST through the issuance of dematerialised depository interests, held, settled and transferred through CREST ("**CDIs**"), representing the interests in the relevant Certificates underlying the CDIs (the "**Underlying Certificates**"). Holders of CDIs (the "**CDI Holders**") will hold or have an interest in a separate legal instrument and will not be the legal owners of the Underlying Certificates. The rights of CDI Holders to the Underlying Certificates are represented by the relevant entitlements against CREST Depository Limited (the "**CREST Depository**") which through CREST International Nominees Limited or another nominee company (the "**CREST Nominee**") holds interests in the Underlying Certificates. Accordingly, rights under the Underlying Certificates cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians. The enforcement of rights under the Underlying Certificates will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Certificates in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Underlying Certificates held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Trustee, including the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the "**CREST Deed Poll**"). Certificateholders should note that the provisions of the CREST Deed Poll, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the "**CREST International Manual**") and the CREST Rules contained in the CREST International Manual applicable to the CREST International Settlement Links Service (the "**CREST Rules**") contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of and returns received by CDI Holders may differ from those of holders of Certificates which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to EUI in connection with the use of the CREST International Settlement Links Service (the "**CREST International Settlement Links Service**"). These will include the fees and expenses charged by the CREST Depository in respect of the provision of services under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Certificates through the CREST International Settlement Links Service.

Certificateholders should note that none of the Trustee, the Managers, HMT, MHCLG or the Agents (as defined below) will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Certificateholders should note that the CDIs are issued under the CREST International Links Service and are not the subject of this Offering Circular.

Limited Role of the Exercise Agent

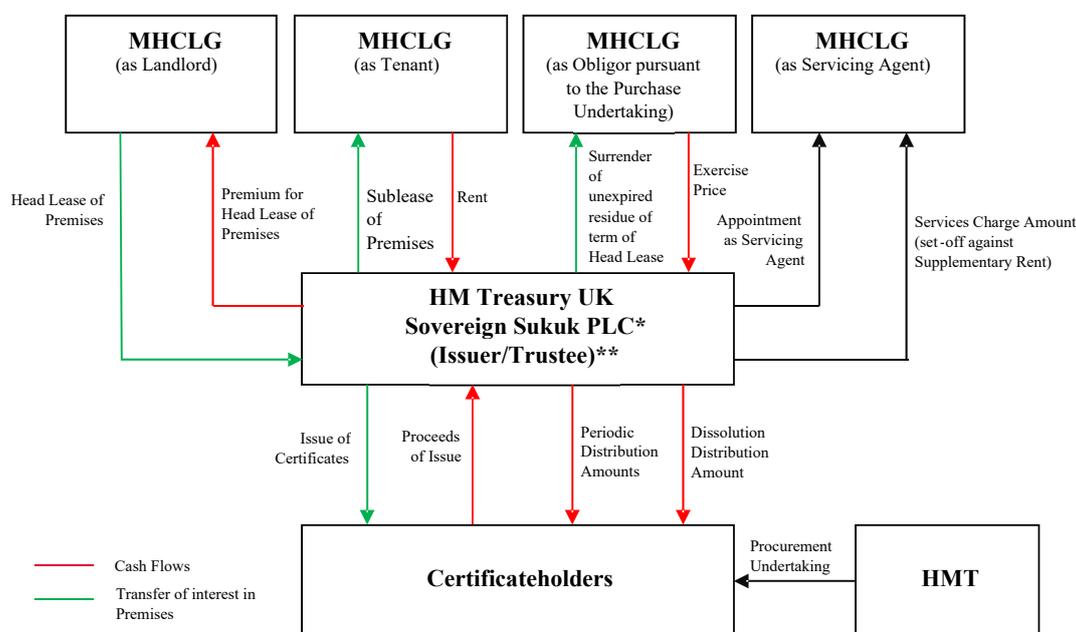
HSBC Bank plc (in such capacity, the "**Exercise Agent**") has been appointed by the Trustee pursuant to the terms of the Agency Agreement (as defined below) to deliver an Exercise Notice under the Purchase Undertaking on or prior to the Scheduled Dissolution Date in circumstances where the Trustee has itself failed to do so. The Exercise Agent's role in connection with the issue of the Certificates is solely limited to issuing such a notice. It does not have any right or obligation to redeem the Certificates or dissolve the Trust, to take other actions on behalf of the Trustee or take any other action directly or indirectly against the Trustee, MHCLG and/or HMT, on behalf of Certificateholders in any circumstances.

Periodic Distribution Amounts will cease to be payable on each Certificate from the Dissolution Date

Investors are advised that Periodic Distribution Amounts will cease to be payable on each Certificate from the Dissolution Date. Consequently, should payments owing to Certificateholders on the due date for redemption be received by them after the Dissolution Date for any reason, no additional profit payment, late payment amount or other equivalent amount will be payable in respect of such delay. See Condition 7(c) (*Cessation of Accrual*) for further details.

STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows relating to the Certificates. This does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the more detailed information appearing elsewhere in this Offering Circular. Potential investors are referred to the Terms and Conditions of the Certificates for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.



* HM Treasury UK Sovereign Sukuk PLC acts as the Tenant under the Head Lease and as the Landlord under the Sublease.

** A Second Trustee may be appointed to act as transferor pursuant to the surrender agreements (as described below).

Principal cash flows

Payments by the Certificateholders and the Trustee

On the Issue Date, the Certificateholders will pay the issue price in respect of the Certificates to the Trustee, which will hold such proceeds of the issue of the Certificates as Trustee and will pay such amount to MHCLG as the Premium payable under the Head Lease.

The Premises to be leased by the Trustee pursuant to the Head Lease on the Issue Date will consist of certain plots of land and buildings used for governmental purposes. MHCLG may substitute or replace the whole of the Premises, or one or more of the properties comprising the Premises, with assets the identity of which may be determined by MHCLG, provided such assets: (i) are located in England and comprise a qualifying interest (as defined in paragraph 1(1A) of Schedule 61 to the Finance Act 2009) in land, buildings or in leasehold interests in respect of land and buildings, used for office or administrative purposes on a similar basis to the original Premises to be purchased on the Issue Date or other civil or governmental purposes; and (ii) are of a value that is greater than or equal to the aggregate value ascribed to the original Premises.

Periodic Distributions

The Trustee, in its capacity as Landlord, will lease the Premises to MHCLG (as Tenant) pursuant to a sublease (the "**Sublease**") dated the Issue Date in consideration for the payment of rent by MHCLG, to be set out in the Sublease.

Such payments of rent are the source from which the Trustee shall fund the payment of the Periodic Distribution Amounts to Certificateholders.

Dissolution Payment by MHCLG (as Obligor)

On the Scheduled Dissolution Date, the Trustee (acting directly or through the Exercise Agent) will have the right under the Purchase Undertaking to require MHCLG (as Obligor) to purchase the unexpired residue of the term created by the Head Lease for the Exercise Price. The Exercise Price payable by MHCLG to the Trustee is intended to fund the Dissolution Distribution Amount payable by the Trustee under the Certificates.

The Trust may be dissolved prior to the Scheduled Dissolution Date upon the occurrence of a Total Loss Event (save where the Premises are substituted as provided in the Servicing Agency Agreement). If a Total Loss Event occurs, the amounts payable to Certificateholders upon the redemption of the Certificates as a result of such Total Loss Event will be satisfied by either: (i) the proceeds of any insurance policies which the Servicing Agent has obtained for and on behalf of the Trustee in respect of the Premises and/or any Total Loss Shortfall Amount payable under the Servicing Agency Agreement in connection therewith, as applicable; or (ii) a reimbursement payment due from MHCLG pursuant to a risk management strategy under the Servicing Agency Agreement in connection therewith, in either case, for an amount equivalent to the Total Loss Reimbursement Amount, which shall be sufficient to redeem the Certificates in full on the 30th day after the occurrence of the relevant Total Loss Event.

OVERVIEW OF THE OFFERING

The following overview should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Offering Circular. This overview does not contain all of the information that an investor should consider before investing in the Certificates. Each investor should read the entire Offering Circular carefully, especially the investment considerations discussed under "Investment Considerations".

Parties

Issuer/Trustee (as Landlord/Tenant)	HM Treasury UK Sovereign Sukuk PLC will act as issuer of the Certificates, Tenant under the Head Lease, Landlord under the Sublease and the Servicing Agency Agreement and Trustee under the Declaration of Trust.
	HM Treasury UK Sovereign Sukuk PLC, a UK public limited company with a paid up share capital of £50,000, is wholly-owned by HMT via the Treasury Solicitor as nominee on behalf of The Lords Commissioners of Her Majesty's Treasury. HM Treasury UK Sovereign Sukuk PLC's directors are James Neilson and Mario Pisani and the company secretary is George Martin.
MHCLG (as Landlord, Tenant, Purchaser and Servicing Agent).....	The Secretary of State for Housing, Communities and Local Government will act as Landlord under the Head Lease, Tenant under the Sublease, Purchaser under the Purchase Undertaking and Servicing Agent under the Servicing Agency Agreement.
HMT	The Lords Commissioners of Her Majesty's Treasury will act as the grantor of the Procurement Undertaking. In addition, HMT has the right to exercise all of MHCLG's rights under the Transaction Documents.
Exercise Agent	HSBC Bank plc. The Exercise Agent's role in connection with the issue of the Certificates is limited to issuing an exercise notice (the " Exercise Notice ") under the Purchase Undertaking on or prior to the Scheduled Dissolution Date on behalf of the Trustee, if the Trustee fails to confirm to the Exercise Agent by email or fax no later than 3.00 p.m. (London time) on the Business Day before the Scheduled Dissolution Date that it will issue an Exercise Notice on or prior to the Scheduled Dissolution Date pursuant to the Purchase Undertaking. The Exercise Agent shall not be an agent or fiduciary of the Certificateholders.
Principal Paying Agent, Registrar and Transfer Agent	HSBC Bank plc
Structuring Adviser.....	HSBC Bank plc
Joint Lead Managers.....	CIMB Investment Bank Berhad Dubai Islamic Bank P.J.S.C. Emirates NBD Bank PJSC HSBC Bank plc Standard Chartered Bank
Co-Lead Managers (and together with the Joint Lead Managers, the Managers)	Arab Banking Corporation (B.S.C.)

Dukhan Bank Q.P.S.C.

KFH Capital Investment Company K.S.C.C.

Malayan Banking Berhad

Certificates

Certificates £500,000,000 Certificates due 2026.

Trust Assets..... Each Certificate represents an undivided beneficial ownership interest in the Trust Assets, subject to the terms of the Declaration of Trust and the Conditions, and is a limited recourse obligation of the Trustee.

The Trust Assets are:

- (i) the interest, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Premises and any proceeds from the Premises;
- (ii) the interest, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding (A) any representations given by MHCLG and/or HMT to the Trustee and/or the Certificateholders pursuant to any of the Transaction Documents and (B) the covenant given to the Trustee for its indemnification pursuant to the Declaration of Trust);
- (iii) all monies standing to the credit of the Transaction Account from time to time except for any amounts retained at any time by the Trustee for its own account by way of profit in accordance with Condition 5(b)(iii);
- (iv) any proceeds from any takaful or insurance policy (if any) pursuant to a Total Loss Event; and
- (v) all proceeds of paragraphs (i) to (iii) above and the proceeds of the issue of the Certificates pending the application of the same towards the acquisition by the Trustee of the lease of the Premises pursuant to the Head Lease on the Issue Date.

The Trustee does not have any rights against HMT under the Procurement Undertaking and the obligations of HMT thereunder do not form part of the Trust Assets.

Issue Date 1 April 2021.

Issue Price 100 per cent. of the aggregate face amount of the Certificates.

Periodic Distribution Dates..... 22 January and 22 July in each year, commencing on 22 July 2021.

Periodic Distributions On each Periodic Distribution Date, Certificateholders will receive a Periodic Distribution Amount calculated at the rate of 0.333 per cent. per annum on the outstanding face amount of the Certificates, which is expected to be funded by the payments of Rent as set out in the Particulars of the Sublease.

Scheduled Dissolution of the Trust The Scheduled Dissolution Date is 22 July 2026. Upon receipt by the Trustee of the Exercise Price payable in accordance with the terms of the Purchase Undertaking, the Exercise Price will be applied to redeem the Certificates at the Dissolution Distribution Amount.

Early Dissolution of the Trust	Other than as a result of the occurrence of a Total Loss Event (save where the Premises are substituted as provided in the Servicing Agency Agreement), the Trust will not be subject to dissolution, and the Certificates will not be redeemed, prior to the Scheduled Dissolution Date. There are no early dissolution events/events of default included in the Conditions (i.e. Certificateholders are not entitled to require early payment of the Dissolution Distribution Amount should the Trustee, MHCLG and/or HMT fail to comply with their respective obligations under the Transaction Documents and the Certificates).
Dissolution Distribution Amount	The aggregate outstanding face amount of the Certificates plus all accrued and unpaid Periodic Distribution Amounts in respect of such Certificates.
Total Loss Event	Save where the Premises are replaced as provided in the Servicing Agency Agreement by no later than the 30 th day after the occurrence of a Total Loss Event, the occurrence of a Total Loss Event will result in the redemption of the Certificates and the consequent dissolution of the Trust on the date falling 30 days after the occurrence of such Total Loss Event. The Servicing Agent is responsible for ensuring that, if a Total Loss Event occurs (save where the Premises are replaced as referred to above), all insurance proceeds or shortfall amount or reimbursement payments made pursuant to any risk management policy, as applicable, in respect thereof, are paid in pounds sterling directly into the Transaction Account by no later than the 30 th day after the occurrence of the Total Loss Event.
Form and Delivery of the Certificates	The Certificates will be in registered (rather than bearer) form. They will be represented by a global trust certificate (the " Global Certificate ") exchangeable for trust certificates in definitive form (each an " Individual Certificate ") in the limited circumstances described under " <i>Summary of Provisions relating to the Certificates when in Global Form</i> ".
Clearance and Settlement	The Global Certificate will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV and Clearstream Banking, S.A. Interests in the Certificates may also be held through CREST. See " <i>Clearance and Settlement</i> " for further details.
Face Amounts of the Certificates	The Certificates will be issued in minimum face amounts of £100,000 and integral multiples of £1,000 in excess thereof.
Status of the Certificates	Each Certificate represents an undivided beneficial ownership interest in the Trust Assets and will be fungible in all respects with all other Certificates.
Transaction Account and Priority of Distributions	The Principal Paying Agent will maintain and operate a pounds sterling non-interest bearing account established in London by the Trustee (the " Transaction Account "). Payments to the Trustee by MHCLG under the Sublease and the Purchase Undertaking will be credited to the Transaction Account. Payments to the Trustee by the Servicing Agent under the Servicing Agency Agreement of the Total Loss Reimbursement Amount payable on a Total Loss Event will also be credited to the Transaction Account. Periodic Distribution Amounts and the Dissolution Distribution Amount will be paid to Certificateholders from funds standing to the credit of the Transaction Account in accordance with the following order of priority:

- (a) *first*, to the Principal Paying Agent for application in or towards payment to Certificateholders of all Periodic Distribution Amounts due but unpaid, *pro rata* to their respective holdings;
- (b) *second*, only if such payment is due on a Dissolution Date, to the Principal Paying Agent for application in or towards payment to Certificateholders of the Dissolution Distribution Amount, *pro rata* to their respective holdings;
- (c) *third*, (A) to the Trustee (in its capacity as issuer) to be retained for its own account by way of profit (which shall not form part of the Trust Assets), £2,500; and (B) only on the Scheduled Dissolution Date and **provided that** all amounts required to be paid on the Certificates have been discharged in full, in payment of any residual amount to the Trustee to be retained for its own account by way of profit (which shall not form part of the Trust Assets);
- (d) *fourth*, to the extent that (A) a Total Loss Event has occurred and the proceeds of any takaful and/or insurance policies have been paid into the Transaction Account in accordance with Condition 8(b) (*Dissolution following a Total Loss Event*) and the Servicing Agency Agreement; and (B) the aggregate of such proceeds and any Total Loss Shortfall Amount which has been paid to the Trustee exceeds the Dissolution Distribution Amount and **provided that** all amounts required to be paid on the Certificates have been discharged in full, in payment of the amount by which that aggregate exceeds the Dissolution Distribution Amount to MHCLG (in its capacity as Servicing Agent); and
- (e) *fifth*, to the extent that there is a failure by the Trustee to comply with its payment obligations to Certificateholders when there are monies standing to the credit of the Transaction Account to make such payment and HMT makes a payment to such Certificateholders in discharge of the Trustee's obligations pursuant to Condition 12(c) (*No further rights*) and **provided that** all amounts required to be paid on the Certificates have been discharged in full, to HMT in an amount equal to the amount paid by HMT under Condition 12(c) (*No further rights*).

Limited Recourse..... Each Certificate represents an undivided beneficial ownership interest in the 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 from the Trust Assets.

Certificateholders have no recourse to any assets of the Trustee in any capacity (other than the Trust Assets in accordance with the terms of the Transaction Documents) 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, MHCLG and HMT shall be extinguished.

Enforcement..... Following the distribution of the Trust Assets to the Certificateholders to the extent permitted under the Conditions and the Declaration of Trust, the Trustee shall not be liable for any further amounts and accordingly the Certificateholders may not take any action against the Trustee or any other person (including MHCLG or, without prejudice to its obligations under the Procurement Undertaking, HMT) to

recover any such amount in respect of the Certificates or the Trust Assets.

No Certificateholder shall be entitled to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents).

After enforcing or realising the Trust Assets and distributing the net proceeds in accordance with Condition 5(b) (*Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

No claim may be brought by any Certificateholder against the Trustee directly except in circumstances where a claim has first been brought by such Certificateholder against HMT under the Procurement Undertaking and HMT has failed to comply with its obligations under the Procurement Undertaking within a period of 30 days after the date on which such claim was brought against it. The Trustee shall not be bound (and the Certificateholders shall have no right to direct the Trustee) to take any action against MHCLG pursuant to any of the Transaction Documents to which it is a party. If MHCLG fails to comply with any of its obligations under the Transaction Documents to which it is a party, Certificateholders shall be entitled to require HMT to procure the performance of such obligations by or on behalf of MHCLG. See Condition 12 (*Certificateholder Claims*) for further details.

Purchases and Cancellations ..	Each of MHCLG and HMT may at any time purchase Certificates in the open market or otherwise at any price. Following such purchase and in accordance with Condition 8(d) (<i>Cancellation</i>), the Certificates may be surrendered for cancellation provided that (a) MHCLG and/or HMT holds all of the Certificates and (b) all Certificates are surrendered for cancellation simultaneously.
Provisions for meetings of Certificateholders	None
Use of Proceeds	The proceeds of the issue of the Certificates will be paid by the Trustee on the Issue Date to or to the order of MHCLG (as Landlord) as the Premium for the lease of the Premises for a 99 year term pursuant to the Head Lease.
Listing	Application has been made to the FCA for the Certificates to be admitted to the Official List and to the London Stock Exchange for the Certificates to be admitted to trading on the main market of the London Stock Exchange.
Rating	The Certificates are not rated by any rating agency.
Tax Considerations.....	See " <i>Taxation</i> " for a description of certain tax considerations applicable to the Certificates.
Transaction Documents	The Transaction Documents are the Head Lease, the Sublease, the Servicing Agency Agreement, the Purchase Undertaking, the Surrender Undertaking, the Procurement Undertaking, the

Declaration of Trust, the Agency Agreement and the Deed of Covenant.

**Governing Law and
Jurisdiction.....**

Subject as provided below, the Transaction Documents will be governed by English law and the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Transaction Documents. However, any of MHCLG or HMT may bring proceedings relating to a dispute in any other court of competent jurisdiction and the taking of proceedings in any one or more jurisdictions shall not preclude the taking of proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

Selling Restrictions

There are restrictions on the distribution of this Offering Circular and the offer or sale of Certificates in, *inter alia*, the United States, the United Kingdom, Kingdom of Bahrain, United Arab Emirates (excluding the Dubai International Financial Centre), Dubai International Financial Centre, Malaysia, State of Qatar (including the Qatar Financial Centre), State of Kuwait, the Kingdom of Saudi Arabia, Singapore and Hong Kong. See "*Subscription and Sale*" for further details.

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 and will apply to the Global Certificate (except as provided therein).

HM Treasury UK Sovereign Sukuk PLC (in its capacity as issuer and in its capacity as trustee as applicable, the "**Trustee**") has issued trust certificates (the "**Certificates**") in an aggregate face amount of £500,000,000.

The Certificates are constituted by a declaration of trust dated 1 April 2021 (the "**Issue Date**") between the Trustee and The Secretary of State for Housing, Communities and Local Government (the "**Obligor**") (the "**Declaration of Trust**").

An Agency Agreement (the "**Agency Agreement**") dated the Issue Date has been entered into in relation to the Certificates between the Trustee, the Obligor, HSBC Bank plc as the principal paying agent and the other agents named in it. The principal paying agent, the other paying agents, the registrar, the exercise agent and the transfer agents are referred to below respectively as the "**Principal Paying Agent**", the "**Paying Agents**" (which expression shall include the Principal Paying Agent), the "**Registrar**", the "**Exercise Agent**" and the "**Transfer Agents**" (which expression shall include the Registrar), and together the "**Agents**".

These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Declaration of Trust, which includes the form of Certificates referred to below, the Agency Agreement and the remaining Transaction Documents (as defined below). The Certificateholders are bound by, and are deemed to have notice of, all the provisions applicable to them in the Transaction Documents. Copies of the Declaration of Trust, the Agency Agreement, the Procurement Undertaking (as defined below) and the Deed of Covenant (as defined below) are available for inspection during usual business hours at the principal office of the Principal Paying Agent.

The Certificateholders have the benefit of the Procurement Undertaking, pursuant to which The Lords Commissioners of Her Majesty's Treasury ("**HMT**") have undertaken to the Certificateholders to procure the performance by or on behalf of (i) the Obligor of all of its obligations, including payment obligations, under all of the Transaction Documents to which it is a party (in whatever capacity) and (ii) the Trustee of all of its obligations, including payment obligations, under the Certificates.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders: (a) to apply the proceeds of the issue of the Certificates towards the purchase of a headlease interest in the Premises (as defined below) from the Obligor (in its capacity as Landlord), and (b) to enter into and perform its obligations under each Transaction Document to which it is a party, subject to the terms and conditions of the Declaration of Trust and these Conditions.

1. **Interpretation**

Unless defined herein or the context otherwise requires, capitalised words and expressions used but not defined herein shall have the meaning given to them in the Declaration of Trust and the Agency Agreement. In addition, for the purposes of these Conditions, the following expressions have the following meanings:

"**Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in pounds sterling;

"**Calculation Amount**" means £1,000;

"**Certificateholder**" or "**holder**" has the meaning given in Condition 2 (*Form, Denomination and Title*);

"**Day Count Fraction**" has the meaning given in Condition 7(b) (*Calculations*);

"**Deed of Covenant**" means the deed of covenant dated the Issue Date and granted by the Trustee and HMT in favour of the beneficiaries named therein;

"Dissolution Date" means, as the case may be:

- (a) the Scheduled Dissolution Date; or
- (b) any Total Loss Event Dissolution Date;

"Dissolution Distribution Amount" means the sum of:

- (a) the outstanding face amount of such Certificate; and
- (b) any due and unpaid Periodic Distribution Amounts for such Certificate;

"Exercise Notice" means an exercise notice given pursuant to the terms of the Purchase Undertaking;

"First Periodic Distribution Date" means 22 July 2021;

"Head Lease" means the head lease dated the Issue Date and entered into between the Obligor (in its capacity as Landlord thereunder) and the Trustee (in its capacity as Tenant thereunder) (and, for the purposes hereof, **"Head Lease"** shall be deemed to include any head lease granted in respect of any New Premises or Substitution Premises);

"New Premises" shall have the meaning given in the Surrender Undertaking;

"outstanding" shall have the meaning given in the Declaration of Trust;

"Periodic Distribution Amount" has the meaning given in Condition 7(a) (*Periodic Distribution Amounts*);

"Periodic Distribution Date" means 22 January and 22 July in each year, commencing on the First Periodic Distribution Date, and subject to Condition 7(c) (*Cessation of Accrual*);

"Premises" shall have the meaning given in the Servicing Agency Agreement;

"Procurement Undertaking" means the procurement undertaking dated the Issue Date and granted by HMT in favour of the Certificateholders;

"Profit Rate" means 0.333 per cent. per annum;

"Purchase Undertaking" means the purchase undertaking dated the Issue Date and granted by the Obligor in favour of the Trustee and the Exercise Agent;

"Record Date" has the meaning given in Condition 9(a) (*Method of Payment*);

"Register" has the meaning given in Condition 2 (*Form, Denomination and Title*);

"Rent" has the meaning given in the Sublease;

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

"Scheduled Dissolution Date" means 22 July 2026;

"Servicing Agency Agreement" means the servicing agency agreement dated the Issue Date and entered into between the Servicing Agent and the Trustee (in its capacity as landlord);

"Servicing Agent" means the Obligor in its capacity as servicing agent under the Servicing Agency Agreement;

"Sublease" has the meaning given in the Servicing Agency Agreement;

"**Substituted Premises**" has the meaning given in the Surrender Undertaking;

"**Substitution Premises**" has the meaning given in the Servicing Agency Agreement;

"**Supplementary Rent**" has the meaning given in the Sublease;

"**Surrender Undertaking**" means the surrender undertaking dated the Issue Date and granted by the Trustee in favour of the Obligor;

"**Total Loss Event**" means the total loss or destruction of, or damage to the whole of, the Premises or any event or occurrence which renders the whole of the Premises permanently unfit for any economic use and the repair or remedial work in respect thereof is wholly uneconomical, as determined by the Servicing Agent acting for and on behalf of the Trustee (in its capacity as landlord);

"**Total Loss Event Dissolution Date**" has the meaning given in Condition 8(b) (*Dissolution following a Total Loss Event*);

"**Total Loss Reimbursement Amount**" has the meaning given in the Servicing Agency Agreement;

"**Total Loss Shortfall Amount**" has the meaning given in the Servicing Agency Agreement;

"**Transaction Account**" means the non-interest bearing account established by the Trustee and held in London with the Principal Paying Agent, into which all amounts due to the Trustee under the Transaction Documents by or on behalf of the Obligor will be deposited;

"**Transaction Documents**" means:

- (a) the Agency Agreement;
- (b) the Declaration of Trust;
- (c) the Deed of Covenant;
- (d) the Head Lease;
- (e) the Procurement Undertaking;
- (f) the Purchase Undertaking;
- (g) the Servicing Agency Agreement;
- (h) the Sublease; and
- (i) the Surrender Undertaking;

"**Trust Assets**" has the meaning given in Condition 5(a) (*Trust Assets*);

"**Trustee Profit Amount**" means the amount (if any) payable to the Trustee pursuant to Condition 5(b)(iii) to be retained for its own account by way of profit; and

"**VAT**" means value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto and includes any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax) or elsewhere from time to time.

All references to the "**face amount**" of a Certificate shall be deemed to include the Dissolution Distribution Amount, any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of face amounts payable pursuant to these Conditions.

All references to "**Periodic Distribution Amounts**" shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of a profit distribution payable pursuant to these Conditions.

All references to "£" and "**pounds sterling**" are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

2. **Form, Denomination and Title**

The Certificates are issued in registered form in denominations of £100,000 and integral multiples of £1,000 in excess thereof.

Certificates are represented by registered certificates and, save as provided in Condition 3(b) (*Delivery of New Certificates*), each Certificate shall represent the entire holding of Certificates by the same holder.

Title to the Certificates shall pass by registration in the register that the Trustee shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Certificate shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder. The registered holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

In these Conditions, "**Certificateholder**" or "**holder**" means the person in whose name a Certificate is registered.

3. **Transfers**

(a) **Transfer of Registered Certificates:** Subject to Condition 3(d) (*Closed Periods*), one or more Certificates may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Certificates to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Trustee), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Certificates represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Certificates to a person who is already a holder of Certificates, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfers of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Trustee, with the prior written approval of the Registrar and HMT. A copy of the current regulations will be made available by the Registrar to any Certificateholder upon request.

(b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 3(a) (*Transfer of Registered Certificates*) shall be available for delivery within 5 business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other

method of delivery and/or such insurance as it may specify. In this Condition 3(b), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (c) **Transfers Free of Charge:** Transfers of Certificates on registration or transfer shall be effected without charge by or on behalf of the Trustee, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (d) **Closed Periods:** No Certificateholder may require the transfer of a Certificate to be registered (i) during the period of 7 Business Days ending on the due date for payment of the Dissolution Distribution Amount or Periodic Distribution Amount or any other date on which any payment of the face amount or payment of any profit in respect of that Certificate falls due, or (ii) during the period of 7 days ending on (and including) any Record Date.

Whilst the Certificates are represented by beneficial interests in a global certificate in registered form, transfers of book-entry interests in the Certificates will be effected through the records of Euroclear or Clearstream, Luxembourg and their respective direct and indirect participants in accordance with their respective rules and procedures.

4. **Status**

- (a) **Status of Certificates:** The Certificates represent an undivided beneficial ownership interest in the Trust Assets. Each Certificate constitutes unsecured obligations of the Trustee and will be fungible in all respects with all other Certificates.
- (b) **Limited Recourse and Agreement of Certificateholders:** Save as provided in this Condition 4(b), the Certificates do not represent an interest in or obligation of any of the Trustee, the Obligor, HMT, any of the Agents or any of their respective affiliates.

The proceeds of the Trust Assets are the sole source of payments on the Certificates. The net proceeds of the realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. Certificateholders, by subscribing for or acquiring the Certificates, acknowledge that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (i) no payment of any amount whatsoever shall be made by the Trustee or any directors, officers, employees or agents on its behalf except to the extent funds are available therefor from the Trust Assets and further acknowledge and agree that no recourse shall be had for the payment of any amount due and owing hereunder or under any Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee to the extent the Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished;
- (ii) the Trustee may only realise or deal with the Premises in the manner expressly permitted by the Transaction Documents, and each Certificateholder acknowledges that the Head Lease restricts the ability of the Trustee (as Tenant thereunder) to assign, charge, sublease or part with possession in any way of the whole or part of the Premises (or to agree to do so) except in the limited circumstances set out therein;
- (iii) if the proceeds of the Trust Assets are insufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers or shareholders in their capacity as such) (other than the Trust Assets in accordance with the terms of the Transaction Documents) or of the Agents or any of their respective directors, officers,

employees, agents, shareholders or affiliates, in each case in respect of any shortfall or otherwise;

- (iv) no Certificateholder will be able to petition for, institute, or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee (and/or its directors), the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates as a consequence of such shortfall or otherwise;
- (v) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee arising under or in connection with the Certificates or the Transaction Documents by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer or director of the Trustee in their capacity as such. The obligations of the Trustee under the Certificates and the Transaction Documents are corporate or limited liability obligations of the Trustee and to the fullest extent permitted by law no personal liability shall attach to or be incurred by the shareholders, members, officers, agents or directors of the Trustee (in their capacity as such);
- (vi) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate. No collateral is or will be given for the payment obligations under the Certificates; and
- (vii) notwithstanding the foregoing, no claim may be brought by any Certificateholder in respect of the Certificates held by it other than in accordance with the provisions of Condition 12 (*Certificateholder Claims*).

Pursuant to the terms of the relevant Transaction Documents to which it is a party, the Obligor is obliged to make payments under the relevant Transaction Documents to which it is a party directly to or to the order of the Trustee; such payment obligations are unsecured obligations and form part of the Trust Assets. HMT has undertaken (pursuant to the provisions of the Procurement Undertaking) to procure the compliance by or on behalf of the Obligor or the Trustee (as the case may be) with their respective obligations as aforesaid. Certificateholders will therefore have a right to bring a direct unsecured claim against HMT in relation to the same. None of the Certificateholders shall be entitled to claim any priority right in respect of any specific assets of the Obligor and/or HMT in connection with the enforcement of any such claim.

All claims by Certificateholders under the Certificates shall be subject to the provisions of Condition 12 (*Certificateholder Claims*).

5. The Trust

- (a) **Trust Assets:** Pursuant to the Declaration of Trust (and subject to the provisions thereof), the Trustee holds the Trust Assets upon trust absolutely for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each holder. The term "**Trust Assets**" means:
 - (i) the interest, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Premises and any proceeds from the Premises;
 - (ii) the interest, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding (A) any representations given by the Obligor and/or HMT to the Trustee and/or the Certificateholders pursuant to any of the Transaction Documents and (B) the covenant given to the Trustee pursuant to clause 11 (*Remuneration and Indemnification of the Trustee*) of the Declaration of Trust);

- (iii) all monies standing to the credit of the Transaction Account from time to time except for any amounts retained at any time by the Trustee for its own account by way of profit in accordance with Condition 5(b)(iii);
 - (iv) any proceeds from any takaful or insurance policy (if any) pursuant to a Total Loss Event; and
 - (v) all proceeds of paragraphs (i) to (iii) above and the proceeds of the issue of the Certificates pending the application of the same towards the acquisition by the Trustee of the lease of the Premises pursuant to the Head Lease on the Issue Date.
- (b) **Application of Proceeds from Trust Assets:** On each Periodic Distribution Date and on any Dissolution Date, the Principal Paying Agent shall apply the monies standing to the credit of the Transaction Account (except for any amounts previously retained by the Trustee for its own account by way of profit) in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):
- (i) *first*, to the Principal Paying Agent for application in or towards payment to Certificateholders of all Periodic Distribution Amounts due but unpaid, *pro rata* to their respective holdings;
 - (ii) *second*, only if such payment is due on a Dissolution Date, to the Principal Paying Agent for application in or towards payment to Certificateholders of the Dissolution Distribution Amount, *pro rata* to their respective holdings;
 - (iii) *third*, (A) to the Trustee (in its capacity as issuer) to be retained for its own account by way of profit (which shall not form part of the Trust Assets), £2,500; and (B) only on the Scheduled Dissolution Date and **provided that** all amounts required to be paid on the Certificates hereunder have been discharged in full, in payment of any residual amount to the Trustee to be retained for its own account by way of profit (which shall not form part of the Trust Assets);
 - (iv) *fourth*, to the extent that (A) a Total Loss Event has occurred and the proceeds of any takaful and/or insurance policies have been paid into the Transaction Account in accordance with Condition 8(b) (*Dissolution following a Total Loss Event*) and the Servicing Agency Agreement; and (B) the aggregate of such proceeds and any Total Loss Shortfall Amount which has been paid to the Trustee exceeds the Dissolution Distribution Amount and **provided that** all amounts required to be paid on the Certificates have been discharged in full, in payment of the amount by which that aggregate exceeds the Dissolution Distribution Amount to the Obligor (in its capacity as Servicing Agent); and
 - (v) *fifth*, to the extent that there is a failure by the Trustee to comply with its payment obligations to Certificateholders when there are monies standing to the credit of the Transaction Account to make such payment and HMT makes a payment to such Certificateholders in discharge of the Trustee's obligations pursuant to the provisions of Condition 12(c) (*No further rights*) and **provided that** all amounts required to be paid on the Certificates have been discharged in full, to HMT in an amount equal to the amount paid by HMT under Condition 12(c) (*No further rights*).

6. Covenants

For so long as any Certificate is outstanding, the Trustee shall not:

- (i) incur any indebtedness in respect of borrowed money or in respect of financing raised in accordance with the principles of *Sharia*, or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;

- (ii) secure any of its present or future indebtedness by any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);
- (iii) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to any of the Transaction Documents;
- (iv) amend or agree to any amendment of any Certificate, any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;
- (v) except as provided in the Declaration of Trust, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;
- (vi) have any subsidiaries or employees;
- (vii) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (viii) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
- (ix) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (x) enter into any contract, transaction, amendment, obligation or liability other than the Certificates and the Transaction Documents to which it is a party or as expressly contemplated, permitted or required thereunder or engage in any business or activity other than:
 - (A) any such contract, transaction, amendment, obligation or liability in relation to its operations that is of a routine or administrative nature (including, but not limited to, setting up a bank account in its name into which the Trustee Profit Amount may be deposited);
 - (B) as contemplated, provided for or permitted in the Certificates and the Transaction Documents;
 - (C) the ownership, management and disposal of the Trust Assets as provided in the Certificates and the Transaction Documents; and
 - (D) such other matters which are incidental thereto.

7. Periodic Distribution Amounts

- (a) **Periodic Distribution Amounts:** A profit distribution shall be payable in arrear in respect of the Certificates on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date, shall accrue at the Profit Rate and the amount of which shall be calculated as provided in Condition 7(b) (*Calculations*) (each such distribution being referred to in these Conditions as a "**Periodic Distribution Amount**"). Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Paying Agent on behalf of the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 4(b) (*Limited Recourse and Agreement of Certificateholders*), Condition 5(b) (*Application of Proceeds from Trust Assets*) and Condition 9 (*Payments*).

- (b) **Calculations:** The amount of profit payable per Calculation Amount in respect of any Certificate for any period (whether or not constituting a Return Accumulation Period, the "**Calculation Period**") shall be equal to the product of the Profit Rate, the Calculation Amount and the Day Count Fraction for the relevant Calculation Period, with the result being rounded to the nearest penny, half a penny being rounded upwards. The amount of profit payable on the First Periodic Distribution Date per Calculation Amount in respect of any Certificate for the first Return Accumulation Period shall be £1.03. For these purposes, "**Day Count Fraction**" means, in respect of the calculation of an amount of profit on any Certificate (i) in respect of the first Return Accumulation Period, the number of days in the relevant Calculation Period, from and including the Issue Date to but excluding the date on which the profit falls due, divided by 362; and (ii) in respect of any other Calculation Period, the number of days in the relevant Calculation Period, from and including the date from which profit begins to accrue to but excluding the date on which it falls due, divided by the product of (x) the number of days in the Return Accumulation Period in which the relevant period falls (including the first such day but excluding the last) and (y) the number of Return Accumulation Periods normally ending in any year.
- (c) **Cessation of Accrual:** Each Certificate will cease to be eligible to earn Periodic Distribution Amounts from the Dissolution Date.

8. **Redemption and Dissolution of the Trust**

- (a) **Dissolution on the Scheduled Dissolution Date:** Unless previously redeemed, or purchased and cancelled, in full, as provided below, each Certificate shall be finally redeemed on the Scheduled Dissolution Date at its Dissolution Distribution Amount, and, upon the payment of such amount to Certificateholders, the Trust shall dissolve, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and none of the Trustee, the Obligor and HMT shall have any further obligations to the Certificateholders in respect thereof.
- (b) **Dissolution following a Total Loss Event:** The Trustee (in its capacity as landlord) and the Obligor (in its capacity as Servicing Agent) have entered into certain arrangements in the Servicing Agency Agreement to address the consequences of a Total Loss Event (if any) occurring in respect of the Premises.

Upon the occurrence of a Total Loss Event, the Servicing Agent shall forthwith notify the Trustee (in its capacity as landlord) of the same and the Trustee shall forthwith notify Certificateholders that (i) a Total Loss Event has occurred; and (ii) any Certificate should only be traded at a price equal to the outstanding face amount of the relevant Certificate from the date of such notice to the Certificateholders until the date of any further notice from the Trustee indicating that Certificates may be traded at any price.

Except where the last paragraph of this Condition 8(b) applies, the Trustee, following the occurrence of a Total Loss Event, shall on giving not less than 5 nor more than 9 days' irrevocable notice to the Certificateholders (a "**Total Loss Event Notice**") redeem all of the Certificates on the date specified for such redemption in such Total Loss Event Notice, which shall be the date falling 30 days after the occurrence of the Total Loss Event (a "**Total Loss Event Dissolution Date**"). Any such redemption of the Certificates shall be at their Dissolution Distribution Amount, which amount shall be satisfied in full by whichever of the following is applicable in accordance with the terms of the Servicing Agency Agreement:

- (i) where one or more commercial takaful or insurance policies has been obtained in accordance with the Servicing Agency Agreement and the proceeds thereof are sufficient to satisfy the payment of the Dissolution Distribution Amount in full, by using the proceeds thereof (as are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event in accordance with the Servicing Agency Agreement);
- (ii) where one or more commercial takaful or insurance policies has been obtained in accordance with the Servicing Agency Agreement and the proceeds thereof are

not sufficient to satisfy the payment of the Dissolution Distribution Amount in full, by using (x) the proceeds thereof (if any) (as are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event in accordance with the Servicing Agency Agreement) together with (y) the Total Loss Shortfall Amount (as shall be payable by the Servicing Agent in connection therewith in accordance with the terms of the Servicing Agency Agreement); or

- (iii) where paragraphs (i) and (ii) above do not apply, by using the amount equal to the Total Loss Reimbursement Amount payable by the Servicing Agent (as is required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event in accordance with the Servicing Agency Agreement).

Upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trust shall dissolve and the Certificates shall cease to represent interests in the Trust Assets.

Notwithstanding the foregoing, if a Total Loss Event occurs and Substitution Premises are to be leased by the Trustee in connection therewith as contemplated in the Servicing Agency Agreement, the Substitution Premises shall be leased by the Trustee as provided therein and the Certificates will not be redeemed as provided in the preceding paragraphs. If Substitution Premises are to be leased by the Trustee pursuant to the Servicing Agency Agreement, the Trustee shall forthwith notify Certificateholders (x) of the lease of the Substitution Premises in accordance with clause 6.3(b) of Servicing Agency Agreement and (y) that Certificates may be traded at any price from the date of such notice to Certificateholders.

- (c) **Purchases:** Each of the Obligor and HMT may at any time purchase Certificates in the open market or otherwise at any price.
- (d) **Cancellation:** Certificates purchased by or on behalf of the Obligor or HMT may, in their respective sole discretion, be surrendered for cancellation in accordance with the terms of the Declaration of Trust, the Agency Agreement and the Surrender Undertaking **provided that** (a) such right to surrender the Certificates for cancellation may not be exercised unless the Obligor and/or HMT holds all of the Certificates; and (b) neither the Obligor nor HMT shall be entitled to surrender any Certificate for cancellation unless it surrenders all the Certificates for cancellation simultaneously. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Trustee in respect of any such Certificates shall be discharged.
- (e) **No other Dissolution:** The Trustee shall not be entitled to redeem the Certificates and the trust shall not dissolve other than as provided in this Condition 8.

9. **Payments**

- (a) **Method of Payment:** Payments of the Dissolution Distribution Amount shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided below.

Payments of Periodic Distribution Amounts or the Dissolution Distribution Amount in respect of each Certificate shall be paid to the person shown on the Register at the close of business on the seventh Business Day before the due date for payment thereof (the "**Record Date**").

Payments of Periodic Distribution Amounts or the Dissolution Distribution Amount in respect of each Certificate shall be made in pounds sterling by transfer to an account in pounds sterling maintained by the payee with a bank that processes payments in pounds sterling notified by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date.

- (b) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commission or expenses shall be charged to the Certificateholders in respect of such payments.
- (c) **Payment Initiation:** Where payment is to be made by transfer to an account in pounds sterling, payment instructions (for value the due date, or if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of the Dissolution Distribution Amount, where the relevant Certificate has not been surrendered at the specified office of the Registrar or any Transfer Agent, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The Principal Paying Agent, the Paying Agent, the Registrar, the Exercise Agent and the Transfer Agent initially appointed by the Trustee and their respective specified offices are listed in the Agency Agreement. The Principal Paying Agent, the Paying Agent, the Registrar, the Exercise Agent and the Transfer Agent act solely as agents of the Trustee and do not assume any obligation or relationship of agency or trust for or with any Certificateholder. The Trustee reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar, the Exercise Agent or any Transfer Agent and to appoint additional or other Paying Agents or Transfer Agents, **provided that** the Trustee shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) an Exercise Agent, (iv) a Transfer Agent, (v) a Paying Agent (which may be the Principal Paying Agent) having a specified office in a major European city and (vi) such other agents as may be required by any stock exchange on which the Certificates may be listed.

Notice of any such change or any change of any specified office shall promptly be given to the Certificateholders.

- (e) **Non-Business Days:** If any date for payment in respect of any Certificate is not a business day, the holder shall not be entitled to payment until the next following business day nor to any profit or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and, where payment is to be made by transfer to an account maintained with a bank in pounds sterling, on which foreign exchange transactions may be carried on in pounds sterling in London.
- (f) **Discharge of Payment Obligations:** Notwithstanding any other provisions to the contrary in these Conditions, the ability of the Trustee to perform its payment obligations in respect of Periodic Distribution Amounts and the Dissolution Distribution Amount will be conditional upon it receiving income (whether in the form of Rent, Supplementary Rent, payments following the occurrence of a Total Loss Event or the Exercise Price) that will be sufficient to enable the discharge of such payment obligations.

10. **Taxation**

All payments in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any authority thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

- (a) **Other Connection:** to or for a holder who is resident in the United Kingdom or who is carrying on a trade or business in the United Kingdom through a branch, agency or permanent establishment in the United Kingdom with which the receipt of the face amount or profit on such Certificate is effectively connected or who is liable to such taxes or duties

in respect of such Certificate by reason of his having some connection with the United Kingdom other than the mere holding of the Certificate; or

- (b) **Surrender more than 30 Days after the Relevant Date:** if the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Certificate for payment on the last day of such period of 30 days assuming that day to have been a business day (as defined in Condition 9(e) (*Non-Business Days*)).

As used in these Conditions, "**Relevant Date**" in respect of any Certificate means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date 7 days after that on which notice is duly given to the Certificateholders that, upon further presentation of the Certificate being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to "**Periodic Distribution Amounts**" and the "**Dissolution Distribution Amount**" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Declaration of Trust.

11. **Prescription**

Claims against the Trustee for payment in respect of the Certificates shall be prescribed and become void unless made within 10 years (in the case of the Dissolution Distribution Amount) or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date in respect of them.

12. **Certificateholder Claims**

- (a) **Claims against the Trustee:** If the Trustee fails to comply with any of its obligations under the Certificates, including payment obligations, each Certificateholder shall be entitled to require HMT (pursuant to the provisions of the Procurement Undertaking) to procure compliance by the Trustee therewith. No claim may be brought by any Certificateholder against the Trustee directly except in circumstances where a claim has first been brought by such Certificateholder against HMT as described in the previous sentence and HMT has failed to comply with its obligations under the Procurement Undertaking within a period of 30 days after the date on which such claim was brought against it.
- (b) **Claims against the Obligor:** If the Obligor fails to comply with any of its obligations under the Transaction Documents to which it is a party, including payment obligations, each Certificateholder shall be entitled to require HMT (pursuant to the provisions of the Procurement Undertaking) to procure compliance by the Obligor therewith. Notwithstanding any other provision in these Conditions or in the Transaction Documents, the Trustee shall not be bound (and the Certificateholders shall have no right to direct the Trustee) to take any action against the Obligor (or any of its directors or officers, whether for breach of fiduciary duty or otherwise) pursuant to any of the Transaction Documents.
- (c) **No further rights:** If HMT fails to procure the payment of any amount expressed to be payable by the Obligor under the Transaction Documents to which it is a party and/or by the Trustee under the Certificates, each Certificateholder shall be entitled to claim directly against HMT for its proportionate share of the unpaid amount, without double counting (but shall not, without prejudice to Conditions 12(a) (*Claims against the Trustee*) or 12(b) (*Claims against the Obligor*), be able to take any other action in respect thereof, including any action to redeem its Certificates or otherwise dissolve the Trust). The Trustee does not have any rights against HMT under the Procurement Undertaking and the obligations of HMT thereunder do not form part of the Trust Assets.
- (d) **Trust Assets:** Under no circumstances shall any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents). After realising the Trust Assets and distributing the net proceeds of the Trust Assets in accordance with Condition 5(b)

(*Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied, no Certificateholder may take any steps against the Trustee to recover any further sums in respect of the Certificates and the right of the Certificateholders to receive any such sums unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee and the Trust in respect of the Trust Assets.

- (e) **Limited Role of the Exercise Agent:** The Exercise Agent has been appointed by the Trustee pursuant to the terms of the Agency Agreement to deliver an Exercise Notice on or prior to the Scheduled Dissolution Date in circumstances where the Trustee has itself failed to do so. The Exercise Agent acts solely as an agent for the Trustee and does not assume any obligation or relationship of agency or trust for or with any Certificateholder.

13. **Replacement of Certificates**

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Trustee for the purpose and notice of whose designation is given to Certificateholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Trustee on demand the amount payable by the Trustee in respect of such Certificates) and otherwise as the Trustee may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14. **Notices**

Notices to the holders of Certificates shall be mailed to them by first class mail (airmail if overseas) at their respective addresses in the Register. In addition, the Trustee shall ensure that notices to the holders of Certificates 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) on which the Certificates are for the time being admitted to listing, trading and/or quotation. Any notices shall be deemed to have been given on the fourth day after being so mailed or on the date of publication, or if so published more than once on different dates, on the date of the first publication.

15. **Modification or amendment of these Conditions**

No modification or amendment of these Conditions may be made without HMT having provided its prior consent thereto.

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

No person shall have any right to enforce any term or condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. **Governing Law and Jurisdiction**

- (a) These Conditions and the Transaction Documents and any non-contractual obligations arising out of or in connection with any of them are governed by, and shall be construed in accordance with, English law.
- (b) Subject as set out below, the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Certificates and the Transaction Documents (including a dispute relating to the existence, validity or termination of each of the Certificates and the Transaction Documents or the consequences of its nullity or any non-contractual obligations arising out of or in connection with the Certificates and the Transaction Documents) (a "**Dispute**"). However, nothing in this provision shall (or shall be construed so as to) limit the right of any of the Obligor or HMT to bring proceedings relating to a Dispute ("**Proceedings**") in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude

the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law. This Condition is for the benefit of the Obligor and HMT.

18. **Waiver of Interest**

- (a) Each of the Trustee and the Obligor has irrevocably agreed in the Declaration of Trust that no interest will be payable or receivable under or in connection therewith and if it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any judicial award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall promptly donate the same to a registered or otherwise officially recognised charitable organisation.
- (b) For the avoidance of doubt, nothing in Condition 18(a) shall be construed as a waiver of rights in respect of Rent, Supplementary Rent, the Total Loss Reimbursement Amount, the Total Loss Shortfall Amount, the Exercise Price, Periodic Distribution Amounts or profit of any kind howsoever described payable by the Obligor (in any capacity), HMT or the Trustee (in any capacity) pursuant to the Transaction Documents and/or the Conditions, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES WHEN IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Certificates whilst they are in global form, some of which modify the effect of the Conditions. The following is a summary of certain of those provisions. Unless otherwise defined, terms defined in the Conditions have the same meaning below.

Holders

For so long as the Certificates are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, the registered holder of the Global Certificate shall, except as ordered by a court of competent jurisdiction or as required by law, be treated as the owner thereof (the "**Registered Holder**"). Each of the persons (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 aggregate face amount of such Certificates (the "**Accountholders**") (in which regard any certificate or other document issued by a clearing system as to the aggregate 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 deemed to be the Certificateholder in respect of the aggregate face amount of such Certificates standing to its account in the records of Euroclear or Clearstream, Luxembourg, as the case may be, other than for the purpose of payments in respect thereof, the right to which shall be vested solely in the Registered Holder, as against the Trustee and an Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Registered Holder, and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly. In addition, holders of beneficial interests in the 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.

Payments

Payments of any amount in respect of the Global Certificate will, in the absence of any provision to the contrary, be made to the person shown on the Register as the registered holder of the 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 relevant due date for such payment.

None of the Trustee, MHCLG, HMT, 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 Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payments of the Dissolution Distribution Amount in respect of Certificates represented by the Global Certificate will be made upon presentation and surrender of the Global Certificate at the specified office of the Registrar or such other office as may be specified by the Registrar subject to and in accordance with the Conditions and the Declaration of Trust.

Distributions of amounts with respect to book-entry interests in the Certificates held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of participants in the relevant clearing system in accordance with the relevant clearing system's rules and procedures. A record of each payment made in respect of the Certificates will be entered into the Register by or on behalf of the Registrar and shall be *prima facie* evidence that payment has been made.

Notices

So long as all the Certificates are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices may be given by delivery of the relevant notice to those clearing systems for communication to their Accountholders rather than by publication and delivery as required by the Conditions except that, so long as the Certificates are listed on any stock exchange, notices shall also be published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given on the day on which such notice is delivered to the relevant clearing systems.

Whilst any of the Certificates held by a Certificateholder are represented by the Global Certificate, notices to be given by such Certificateholder may be given (where applicable) through Euroclear and/or

Clearstream, Luxembourg and otherwise in such manner as the Registrar and Euroclear and Clearstream, Luxembourg may approve for this purpose.

Registration of Title

The Registrar will not register title to the Certificates in a name other than that of a nominee for the common depository for Euroclear and Clearstream, Luxembourg for a period of 7 calendar days preceding the due date for any payment of any Periodic Distribution Amount or the Dissolution Distribution Amount in respect of the Certificates.

Record dates will be determined in accordance with the standard practices of Euroclear and Clearstream, Luxembourg.

Transfers

Transfers of book-entry interests in the Certificates will be effected through the records of Euroclear or Clearstream, Luxembourg and their respective direct and indirect participants in accordance with their respective rules and procedures.

Direct Rights

If any Periodic Distribution Amount or the Dissolution Distribution Amount in respect of any Certificate is not paid when due, the holder of a Certificate represented by the Global Certificate may (subject to the provisions of Condition 12 (*Certificateholder Claims*)) elect for direct enforcement rights against the Trustee and HMT under the terms of a Deed of Covenant executed as a deed by the Trustee and HMT on the Issue Date to come into effect in respect of the whole or a stated part of one or more Certificates represented by such Global Certificate up to the aggregate amount in respect of which such failure to pay has occurred in favour of the persons entitled to such payment as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion. However, no such election may be made in respect of Certificates represented by the Global Certificate unless the transfer of the whole or a part of the holding of Certificates represented by the Global Certificate shall have been improperly withheld or refused.

Exchange for Individual Certificates

Persons holding ownership interests in the Global Certificate will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Individual Certificates (as defined below) in fully registered form.

Interests in the Global Certificate will be exchangeable (free of charge), in whole but not in part, for Individual Certificates if 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 legal holiday) 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 such event, any of the Trustee or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in the Global Certificate) may give notice to the Registrar requesting exchange.

In such circumstances, the Global Certificate shall be exchanged in full for Individual Certificates and the Trustee will, at the cost of the Trustee, cause sufficient Individual Certificates to be executed and delivered to the Registrar within 10 days following the request for exchange for completion and dispatch to the Certificateholders. A person having an interest in the 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 Individual Certificates.

In this Offering Circular, "**Individual Certificate**" means a trust certificate in definitive registered form issued by the Trustee in accordance with the provisions of the Declaration of Trust in exchange for the Global Certificate, such trust certificate substantially in the form set out in the Schedules to the Declaration of Trust.

USE OF PROCEEDS

The proceeds of the issue of the Certificates will be paid by the Trustee on the Issue Date to or to the order of MHCLG (as Landlord) as the Premium for the lease of the Premises for a 99 year term pursuant to the Head Lease.

DESCRIPTION OF THE TRUSTEE

General

HM Treasury UK Sovereign Sukuk PLC is a public limited company incorporated in the United Kingdom on 21 May 2014 under the Companies Act 2006 (as amended) of England and Wales with company registration number 9051219. The Trustee was established as a company for the sole purpose of issuing instruments such as the Certificates and entering into the transactions such as those contemplated by the Transaction Documents. The registered office of the Trustee is at 1 Horse Guards Road, London, SW1A 2HQ, United Kingdom.

The Trustee has issued 50,000 shares of £1.00 each (the "**Shares**") as at the date of this Offering Circular. All of the Shares are fully-paid and owned by HMT via the Treasury Solicitor as nominee on behalf of The Lords Commissioners of Her Majesty's Treasury.

Business of the Trustee

The Trustee will not have any substantial liabilities other than in connection with the Certificates. The Certificates are the obligations of the Trustee alone.

Directors of the Trustee

The directors of the Trustee are as follows:

<u>Director</u>	<u>Principal Occupation</u>
James Neilson	Solicitor
Mario Pisani	Civil Servant

The company secretary is George Martin.

The business address of James Neilson, Mario Pisani and George Martin is 1 Horse Guards Road, London, SW1A 2HQ, United Kingdom.

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 Declaration of Trust, the Agency Agreement, the Procurement Undertaking and the Deed of Covenant will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions).

Head Lease

The Head Lease will be entered into on the Issue Date between the Trustee (in its capacity as Tenant) and MHCLG (in its capacity as Landlord) and will be governed by English law.

Pursuant to the Head Lease, MHCLG will lease to the Trustee certain land and buildings (the "**Premises**") for a term of 99 years, together with the benefit of the Rights (as defined below) and subject to and with the benefit of the Subjections (as defined below). The Head Lease shall also include a restriction on assignment (which shall not prevent the entry into of the Sublease described below).

Pursuant to the Head Lease, legal charges will be registered in favour of HMRC against the title of each of the properties comprised within the Premises for the purposes of sub-paragraphs (6) and (7), paragraph 5 of Schedule 61 to the Finance Act 2009.

In consideration for the lease of the Premises, the Trustee shall pay a Premium, which will be an amount equal to the proceeds of the issue of the Certificates.

"**Rights**" means all rights of way, easements or other rights benefitting the Premises contained or referred to in the Title Numbers listed at LR 2.1 of Part I of the particulars in the Head Lease.

"**Subjections**" means all matters burdening the Premises contained or referred to in the title numbers listed at LR 2.1 of Part I of the particulars in the Head Lease and all such active or passive easements and occupational leases or other arrangements for sharing occupation of the Premises, whether formal or informal, known or unknown, continued or discontinued and whether representing an advantage or burden, with all visible or hidden defects and/or flaws.

Sublease

The Sublease will be entered into on the Issue Date between the Trustee (in its capacity as Landlord) and MHCLG (in its capacity as Tenant) and will be governed by English law.

Pursuant to the Sublease, the Trustee shall lease to MHCLG, for the period from the Issue Date to the Scheduled Dissolution Date, the Premises which it has leased pursuant to the Head Lease, together with the benefit of the Rights and subject to and with the benefit of the Subjections described above.

The term of the Sublease shall consist of periodic rental periods (each, a "**Rent Period**"). MHCLG shall make periodic rental payments ("**Rent**") in respect of each Rent Period on the relevant Rent Payment Date (as set out in the Particulars of the Sublease).

MHCLG will also make supplementary rental payments ("**Supplementary Rent**") under the Sublease to cover the costs associated with servicing the Premises (see the description of the Servicing Agency Agreement below). The amount of any Supplementary Rent will correspond to any Services Charge Amount (as defined below) under the Servicing Agency Agreement.

The terms of the Sublease shall provide that MHCLG will, at its own cost and expense, be responsible for all ordinary maintenance and repair required for the Premises.

Servicing Agency Agreement

The Servicing Agency Agreement will be entered into on the Issue Date between the Trustee and MHCLG (in its capacity as Servicing Agent) and will be governed by English law.

Pursuant to the Servicing Agency Agreement, the Trustee shall appoint MHCLG as its servicing agent and delegate to it responsibility for:

- (i) the performance of all major maintenance and structural repairs;

- (ii) the payment of proprietorship taxes arising with respect to the Premises; and
 - (iii) dealing with the occurrence of a Total Loss Event (as defined below),
- (together, the "**Services**").

The Servicing Agent shall be reimbursed for any payments made or incurred by it in respect of the Services performed during any Rent Period ("**Services Charge Amount**"). Pursuant to the terms of the Servicing Agency Agreement, such Services Charge Amount shall be due and payable by the Trustee (in its capacity as Landlord) to the Servicing Agent on the Rent Payment Date immediately following the end of the next succeeding Rent Period. However, this amount shall be set off against the payment of any equivalent Supplementary Rent from MHCLG (as Tenant) under the terms of the Sublease.

The Servicing Agent shall ensure that any losses the Trustee (as Landlord) might suffer upon the occurrence of a Total Loss Event (as defined below) as a result of (a) Rent ceasing to be payable under the Sublease; or (b) the Premises not being available so the unexpired residue of the term created by the Head Lease cannot be purchased by MHCLG under the Purchase Undertaking (together the "**TLE Losses**"), are reimbursed in full to the Trustee (as Landlord).

A "**Total Loss Event**" shall arise on the total loss or destruction of, or damage to the whole of, the Premises or on any event or occurrence that renders the whole of the Premises permanently unfit for any economic use and where the repair or remedial work in respect thereof is wholly uneconomical, in each case as determined by the Servicing Agent acting for and on behalf of the Trustee (as Landlord).

Upon the occurrence of a Total Loss Event, the Servicing Agent shall forthwith notify the Trustee (as Landlord) of the same and the Trustee shall forthwith notify Certificateholders (a) of the occurrence of a Total Loss Event and (b) that any Certificate should only be traded at a price equal to the outstanding face amount of the relevant Certificate from the date of such notice to the Certificateholders until the date of any further notice from the Trustee indicating that Certificates may be traded at any price.

The Servicing Agent may elect to prevent any TLE Losses from occurring or ensure that any TLE Losses are capable of being fully reimbursed, by any of the following methods:

- (i) obtain one or more takaful or insurance policies for an amount at least equal to the Total Loss Reimbursement Amount (as defined below) (and pay an additional shortfall amount if the proceeds of such policy (if any) following the occurrence of a Total Loss Event are less than such Total Loss Reimbursement Amount); or
- (ii) should any Total Loss Event occur, procure alternative properties, of an equal or greater value than the value ascribed to the Premises on the Issue Date, that will be substituted for the original Premises and continue leasing the alternative Premises until the Scheduled Dissolution Date; or
- (iii) adopt a risk management strategy that deals with the reimbursement of commercially uninsured losses in the manner contemplated by HMT Publication PU1805 (Managing Public Money) dated July 2013 as updated in September 2019 and, should a Total Loss Event occur, pay an amount equivalent to the Total Loss Reimbursement Amount pursuant to such strategy to reimburse any TLE Losses,

such substitution under paragraph (ii) above to occur on or before the 30th day after the occurrence of the Total Loss Event or such payment on redemption under paragraphs (i) or (iii) above (as the case may be) to occur on the 30th day following such Total Loss Event. In the event of substitution, in respect of the alternative properties, a new headlease and a new sublease will be entered into at the time of substitution on terms substantially the same as the Head Lease and the Sublease, respectively and the Trustee shall forthwith notify Certificateholders (x) of the substitution and (y) that Certificates may be traded at any price from the date of such notice to Certificateholders.

The "**Total Loss Reimbursement Amount**" shall be the aggregate of:

- (i) the outstanding aggregate face amount of the Certificates;
- (ii) all accrued but unpaid Periodic Distribution Amounts relating to the Certificates up to but excluding the last day of the 30 day period following the occurrence of the Total Loss Event; and

- (iii) any Services Charge Amounts in respect of which a payment of Supplementary Rent has not been made in accordance with the Sublease.

Surrender Undertaking

The Surrender Undertaking will be executed as a deed on the Issue Date by the Trustee in favour of MHCLG and will be governed by English law.

Provided there has been no Total Loss Event and no Exercise Notice (as defined in the Purchase Undertaking) has been delivered under the Purchase Undertaking, pursuant to the Surrender Undertaking, MHCLG shall have the right to:

- (i) require the Trustee to accept the substitution of existing Premises (the "**Substituted Premises**") with new asset(s) comprising land, buildings or leasehold interests, located in England, provided such assets comprise a qualifying interest (as defined in paragraph 1(1A) of Schedule 61 to the Finance Act 2009) in land, buildings or in leasehold interests in respect of land and buildings, used for office or administrative purposes on a similar basis to the Substituted Premises or other civil or governmental purposes (the "**New Premises**") at any time during the term of the Certificates. The New Premises must be of a value which is greater than or equal to the value ascribed to the Substituted Premises. Such a substitution shall be effected at the relevant time by the Trustee, the Second Trustee (if applicable, and as defined below) and MHCLG entering into a surrender agreement, the form of which will be appended to the Surrender Undertaking, whereby the Trustees (as defined below) shall surrender the unexpired residue of the term created by the Head Lease in relation to the Substituted Premises only and MHCLG (as Landlord) shall grant a new head lease to the Trustee (as Tenant) in respect of the New Premises on terms substantially the same as the Head Lease; or
- (ii) where all of the Certificates have been purchased and surrendered for cancellation by or on behalf of MHCLG or HMT pursuant to Condition 8(d) (*Cancellation*), require the Trustee to surrender the unexpired residue of the term created by the Head Lease in consideration for the cancellation of the Certificates. Such surrender shall occur at the relevant time upon the execution by MHCLG, the Trustee and the Second Trustee (if applicable) of a surrender agreement, the form of which will be scheduled to the Surrender Undertaking.

To overreach the beneficial interest created by the Declaration of Trust as required under sections 2 and 27 of the Law of Property Act 1925, the surrender agreement appended to the Surrender Undertaking and the Purchase Undertaking must be signed by two trustees. Therefore, a second trustee (the "**Second Trustee**" and together with the Trustee, the "**Trustees**") may be appointed by the Trustee as its nominee immediately before the date of the surrender agreement in order to execute the same. The Trustee shall not hold any shares in the Second Trustee.

Purchase Undertaking

The Purchase Undertaking will be executed as a deed on the Issue Date by MHCLG (as Obligor) in favour of the Trustee and the Exercise Agent and will be governed by English law.

Pursuant to the Purchase Undertaking, the Trustee (acting directly or through the Exercise Agent) shall have the right to deliver an Exercise Notice to MHCLG on or prior to the Scheduled Dissolution Date which requires MHCLG to purchase the unexpired residue of the term created by the Head Lease and to surrender the same to MHCLG on the Scheduled Dissolution Date in consideration for payment of the Exercise Price (as defined below). Such purchase and surrender shall occur upon the execution by MHCLG (in its capacity as Obligor), the Trustee and the Second Trustee (if applicable) of a surrender agreement, the form of which will be scheduled to the Purchase Undertaking.

The Exercise Agent shall issue the Exercise Notice on behalf of the Trustee if the Trustee fails to confirm to the Exercise Agent by email or fax no later than 3.00 p.m. (London time) on the Business Day before the Scheduled Dissolution Date that it will issue an Exercise Notice on or prior to the Scheduled Dissolution Date pursuant to the Purchase Undertaking.

The "**Exercise Price**" shall be the aggregate of:

- (i) the outstanding aggregate face amount of the Certificates;

- (ii) all accrued but unpaid Periodic Distribution Amounts relating to the Certificates; and
- (iii) any Services Charge Amounts in respect of which a payment of Supplementary Rent has not been made in accordance with the Sublease.

Procurement Undertaking

The Procurement Undertaking will be executed as a deed on the Issue Date by HMT in favour of the Certificateholders.

Pursuant to the Procurement Undertaking, HMT will unconditionally and irrevocably undertake to the Certificateholders (the "**Certificateholder Undertaking**") that:

- "(a) *with respect to any payment obligation of the Obligor under any of the Transaction Documents to which the Obligor is a party (in whatever capacity), HMT shall procure the payment of such amount by or on behalf of the Obligor on its due date for payment;*
- (b) *with respect to any other obligation of the Obligor under any of the Transaction Documents to which the Obligor is a party (in whatever capacity), HMT shall procure the performance of such obligation by or on behalf of the Obligor;*
- (c) *with respect to any payment obligation of the Trustee under the Certificates, HMT shall procure the payment of such amount by or on behalf of the Trustee on its due date for payment; and/or*
- (d) *with respect to any other obligation of the Trustee under the Certificates, HMT shall procure the performance of such obligation by or on behalf of the Trustee."*

The payment or performance of any of the obligations described above by or on behalf of MHCLG (as Obligor) and/or the Trustee shall constitute a *pro tanto* discharge of MHCLG's and/or the Trustee's corresponding obligations, as applicable, under the relevant Transaction Document or the Certificates (as the case may be) under which they are required to be performed.

The Trustee does not have any rights against HMT under the Procurement Undertaking and the obligations of HMT thereunder do not form part of the Trust Assets.

Furthermore, HMT shall also agree in the Procurement Undertaking to undertake to pay to each Certificateholder by way of indemnity an amount equal to any Shortfall to the extent that the same has arisen because of any loss, liability, cost, claim, action, demand or expense which has been imposed on, incurred by, or asserted against the Trustee.

HMT shall further agree in the Procurement Undertaking to undertake to indemnify each Certificateholder for any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all reasonable costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) (a "**Loss**") which has been imposed on, incurred by, or asserted against any Certificateholder, solely by virtue of such Certificateholder being treated as having an interest in such Premises through its holding of the Certificates, **provided that** where action is brought against any Certificateholder in respect of which recovery may be sought from HMT for a Loss, the undertaking to indemnify shall only extend to any such Loss where the relevant Certificateholder has:

- (a) promptly notified HMT in writing of any proceeding instituted against such Certificateholder;
- (b) if so required by HMT at its option, promptly consented to HMT assuming the defence of such proceedings and appointing such lawyers as HMT may in its sole discretion propose to retain (at HMT's cost) in relation to the defence of such proceedings, **provided that** such Certificateholder shall have the right to retain, at its own cost, lawyers to act on its behalf in any such proceeding. HMT shall reimburse any reasonably and properly incurred fees and expenses relating to the retention of such lawyers (including any irrecoverable VAT) only if:
 - (i) HMT and the relevant Certificateholder shall have mutually agreed to the retention of such lawyers by such Certificateholder; or
 - (ii) HMT has failed to appoint lawyers pursuant to this paragraph (b);

- (c) promptly co-operated with HMT, and any lawyers appointed (whether by HMT or the relevant Certificateholder), in the conduct of the defence of any such proceeding;
- (d) not acted in a manner (including but not limited to making any admissions) in relation to any such proceeding that shall prejudice the defence thereof; and
- (e) obtained, in respect of any settlement of any proceeding, HMT's prior written consent.

For the purposes of the Procurement Undertaking, "**Shortfall**" means the amount by which the aggregate of any payment made by HMT under the Certificateholder Undertaking and any payment made by the Trustee under the Certificates is less than the amount which would have been paid by the Trustee if it had been able to satisfy in full its payment obligations under the Certificates.

For the purposes of the Procurement Undertaking, any action shall be construed as not having been taken "**promptly**" if, as a result of a delay by the relevant Certificateholder to take such action, HMT was unable to take the necessary procedural steps in the relevant forum as may be required to conduct an effective defence.

HMT shall also be entitled to exercise any of MHCLG's rights/discretions pursuant to the Transaction Documents.

Declaration of Trust

The Declaration of Trust will be entered into on the Issue Date between MHCLG and the Trustee and will be governed by English law.

Pursuant to the Declaration of Trust, the Trustee will declare a trust (the "**Trust**") over the Trust Assets (as described below) for the benefit of the Certificateholders. The Certificates will represent the Certificateholders' undivided and proportionate beneficial ownership of and interest in the Trust Assets.

The "**Trust Assets**" shall comprise:

- (i) the interest, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Premises and any proceeds from the Premises;
- (ii) the interest, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding (A) any representations given by the Obligor and/or HMT to the Trustee and/or the Certificateholders pursuant to any of the Transaction Documents and (B) the covenant given to the Trustee for its indemnification pursuant to the Declaration of Trust);
- (iii) all monies standing to the credit of the Transaction Account from time to time except for any amounts retained at any time by the Trustee for its own account by way of profit in accordance with Condition 5(b)(iii);
- (iv) any proceeds from any takaful or insurance policy (if any) pursuant to a Total Loss Event; and
- (v) all proceeds of paragraphs (i) to (iii) above and the proceeds of the issue of the Certificates pending the application of the same towards the acquisition by the Trustee of the lease of the Premises pursuant to the Head Lease on the Issue Date.

Pursuant to the Declaration of Trust, the Trustee shall not be required by the Certificateholders to take any action against MHCLG pursuant to any of the Transaction Documents. If MHCLG fails to comply with any of its obligations under the Transaction Documents, pursuant to the Procurement Undertaking, Certificateholders shall be entitled to require HMT to procure the performance of such obligations by or on behalf of MHCLG. See Condition 12 (*Certificateholder Claims*) for further details.

The Declaration of Trust will also provide for the right of the Trustee to appoint a second trustee (i.e. the Second Trustee) for the purposes of issuing a good receipt to overreach the beneficial interests of the Certificateholders following payment of the Exercise Price on the Scheduled Dissolution Date.

Pursuant to the terms of the Declaration of Trust, MHCLG will also undertake to reimburse certain expenses of the Trustee.

Agency Agreement

The Agency Agreement will be entered into on the Issue Date between MHCLG, the Trustee, the Principal Paying Agent, Transfer Agent, Registrar and Exercise Agent and will be governed by English law.

Pursuant to the Agency Agreement, the Registrar has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to authenticate and deliver the Global Certificate and, if any, each Individual Certificate; the Principal Paying Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to pay all sums due under such Global Certificate; the Transfer Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to effect requests to transfer all or part of the Global Certificate and issue Individual Certificates in accordance with each request; and the Exercise Agent has agreed to be appointed as agent of the Trustee and has agreed to issue the Exercise Notice under the Purchase Undertaking on or prior to the Scheduled Dissolution Date in circumstances where the Trustee has itself failed to do so.

On the Issue Date, the Registrar will authenticate the Global Certificate in accordance with the terms of the Declaration of Trust.

MHCLG shall cause to be deposited into the Transaction Account opened by the Trustee with the Principal Paying Agent, in same day freely transferable, cleared funds, any payment which may be due under the Certificates in accordance with the Conditions.

The Principal Paying Agent agrees that it shall, on each Periodic Distribution Date and on the Scheduled Dissolution Date, apply the monies standing to the credit of the Transaction Account in accordance with the order of priority set out in the Conditions.

The Trustee will unconditionally and irrevocably appoint the Exercise Agent with the sole function to issue the Exercise Notice pursuant to the Purchase Undertaking on or prior to the Scheduled Dissolution Date on behalf of the Trustee if the Trustee fails to confirm to the Exercise Agent by email or fax no later than 3.00 p.m. (London time) on the Business Day before the Scheduled Dissolution Date that it will issue an Exercise Notice on or prior to the Scheduled Dissolution Date pursuant to the Purchase Undertaking.

Deed of Covenant

The Deed of Covenant will be executed as a deed on the Issue Date by the Trustee and HMT in favour of the Relevant Account Holders (as defined in the Deed of Covenant, being, broadly, the beneficial owners of the Certificates in global form and who have the Certificates credited to their securities accounts held with Euroclear/Clearstream, Luxembourg). It provides each Relevant Account Holder with direct enforcement rights against the Trustee and/or HMT should it fail to receive the payments due to it under the Transaction Documents (subject always to compliance with Condition 12 (*Certificateholder Claims*)).

CLEARANCE AND SETTLEMENT

Form of the Certificates

The Certificates will be in registered form and will be issued outside the United States in reliance on Regulation S.

The Certificates will be represented by beneficial interests in a global certificate in registered form (the "**Global Certificate**"). The Global Certificate will be deposited with a common depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**") and will be registered in the name of a nominee for the Common Depository.

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

CREST Depository Interests

Following their delivery into Euroclear and/or Clearstream, Luxembourg, interests in Certificates may be delivered, held and settled in CREST by means of the creation of CDIs representing the interests in the relevant Underlying Certificates. The CDIs will be issued by the CREST Depository to CDI Holders and will be governed by English law.

The CDIs will represent indirect interests in the interest of the CREST Nominee in the Underlying Certificates. Pursuant to the CREST Deed Poll and CREST International Manual (as defined below), Certificates held in global form by the Common Depository may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities distinct from the Certificates, constituted under English law and may be held, settled and transferred through CREST.

Interests in the Underlying Certificates will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying Certificate, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Deed Poll and CREST International Manual set out the terms on which the CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the Underlying Certificates on trust for such CDI Holder. The CREST International Manual has provision for relevant notices issued by or on behalf of the Trustee to be forwarded to CDI Holders.

Transfers of interests in Underlying Certificates by a CREST participant to a participant of Euroclear or Clearstream, Luxembourg will be effected by cancellation of the corresponding CDIs and transfer of an interest in such Underlying Certificates to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

Where possible, the CDIs will have the same ISIN as the ISIN of the Underlying Certificates and will not require a separate listing on the Official List maintained by the FCA.

Prospective subscribers for Certificates represented by CDIs are referred to Chapter 3 of the CREST International Manual which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Trustee including the CREST Deed Poll (in the form

contained in Chapter 3 of the CREST International Manual) executed by the CREST Depository. These rights may be different from those of holders of Certificates which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service. The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (a) CDI Holders will not be the legal owners of the Underlying Certificates or have a direct interest in the Underlying Certificates. The CDIs are separate legal instruments from the Underlying Certificates to which they relate and represent an indirect interest in such Underlying Certificates.
- (b) The Underlying Certificates themselves (as distinct from the CDIs representing indirect interests in such Underlying Certificates) will be held in an account with a custodian. The custodian will hold the Underlying Certificates through a clearing system. Rights in the Underlying Certificates will be held through custodial and depository links through the appropriate clearing systems. The legal title to the Underlying Certificates or to interests in the Underlying Certificates will depend on the rules of the clearing system in or through which the Underlying Certificates are held.
- (c) Rights under the Underlying Certificates cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians described above. The enforcement of rights under the Underlying Certificates will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Certificates are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Certificates. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Certificates in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Certificates held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.
- (d) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST International Manual and the CREST Rules contained in the CREST International Manual applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (e) Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository as issuer of the CDIs.
- (f) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from the CREST website from time to time.
- (g) Potential investors should note that CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the CDIs through the CREST International Settlement Links Service.
- (h) Potential investors should note that none of the Trustee, the Managers, HMT, MHCLG and the Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

TAXATION

General

The comments below are of a general nature and are not intended to be exhaustive. Certificateholders should consult their professional advisers in respect of their own personal tax treatment. Certificateholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Certificates are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation issues in respect of the Certificates. In particular, Certificateholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Certificates even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

The comments are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs), which may be subject to change, sometimes with retrospective effect. They do not necessarily apply where any income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who hold their Certificates as investments (regardless of whether the holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Certificates are attributable) and are the absolute beneficial owners thereof. Certain classes of persons such as dealers or certain professional investors may be subject to special rules and this summary does not apply to such Certificateholders. These comments are also based on current accounting practice under International Financial Reporting Standards.

The comments below assume that the Certificates are and will remain listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007), for the purposes of section 987 of the Income Tax Act 2007, section 564G of the Income Tax Act 2007, section 151N of the Taxation of Chargeable Gains Act 1992 and section 507 of the Corporation Tax Act 2009. The London Stock Exchange is currently a recognised stock exchange for these purposes.

Government Statement

As explained in the statement issued by HMT on 29 May 1985, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor its servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the conditions under which, the Certificates are issued or sold by or on behalf of the Government. No responsibility can therefore be accepted for any omission to make such disclosure and any such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation.

United Kingdom Withholding Tax

The Certificates will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007). Whilst the Certificates are and continue to be quoted Eurobonds, payments made under the Certificates by the Trustee may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List by the FCA and are admitted to trading on the main market of the London Stock Exchange.

United Kingdom Stamp Duty, Stamp Duty Reserve Tax and Stamp Duty Land Tax

No United Kingdom stamp duty, stamp duty reserve tax or stamp duty land tax is payable on the issue, transfer or any agreement to transfer a Certificate or on its redemption.

United Kingdom Value Added Tax

HM Revenue & Customs have confirmed their view that, as a general matter, sukuk certificates such as the Certificates are treated in the same way as bonds for value added tax ("VAT") purposes. On this basis (a) no VAT is chargeable on the issue or transfer of the Certificates or in respect of any payment made by the Trustee under the Certificates, (b) no Certificateholder should make any supply of an interest in the Premises under the Transaction Documents by virtue of holding the Certificates and (c) the Trustee (and

not the Certificateholders) should be treated as making any supply for which any Total Loss Shortfall Amount is the consideration for VAT purposes.

Certificateholder taxation

Certificateholders within the charge to United Kingdom Corporation Tax

The Certificates will be investment bond arrangements for the purposes of section 507 of the Corporation Tax Act 2009 ("CTA 2009"). Accordingly, the Certificates will be treated as if they were loan relationships for the purposes of Part 5 CTA 2009 in the hands of Certificateholders within the charge to United Kingdom corporation tax (including non-resident Certificateholders whose Certificates are used, held or acquired for the purposes of a trade carried on in the United Kingdom through a permanent establishment). Such Certificateholders will be subject to tax on all profits and gains from the Certificates as income, generally in accordance with their statutory accounting treatment. Such Certificateholders will generally be subject to tax in each accounting period by reference to the Periodic Distribution Amounts and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining the Certificateholder's profit or loss for the period.

Other United Kingdom Certificateholders

Periodic Distribution Amounts

Certificateholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom, or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Certificates are attributable, will generally be liable to United Kingdom income tax on the amount of any Periodic Distribution Amounts received in respect of the Certificates.

Transfers (including redemptions)

The Certificates will constitute investment bond arrangements for the purposes of section 151N of the Taxation of Chargeable Gains Act 1992 ("TCGA 1992") and will satisfy the requirements of section 151T TCGA 1992 such that they will be treated as qualifying corporate bonds. Accordingly no chargeable gain or allowable loss for the purposes of the TCGA 1992 will arise in respect of disposals of the Certificates.

The Certificates will be treated as investment bond arrangements for the purposes of section 564G of the Income Tax Act 2007. As such, the Certificates will be treated as securities for the purposes of all UK enactments relating to income tax and, *inter alia*, this means that Certificateholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom will, on a disposal of Certificates, be liable to income tax under the provisions of the accrued income scheme in respect of an amount representing Periodic Distribution Amounts on the Certificates which has accrued since the preceding Periodic Distribution Date.

Non-United Kingdom Certificateholders

The Periodic Distribution Amounts payable on the Certificates will be treated as payments of interest for United Kingdom income tax purposes and will have a United Kingdom source. Accordingly the Periodic Distribution Amounts may be chargeable to United Kingdom tax by direct assessment irrespective of the residence of the Certificateholder. However, where the Periodic Distribution Amounts are paid without withholding or deduction on account of United Kingdom tax, the Periodic Distribution Amounts will not be assessed to United Kingdom tax in the hands of Certificateholders (other than certain trustees) who are not resident for tax purposes in the United Kingdom, except where the Certificateholder carries on a trade, profession or vocation through a branch or agency, or in the case of a corporate holder, carries on a trade through a permanent establishment in the United Kingdom, in connection with which the Periodic Distribution Amounts are received or to which the Certificates are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch, agency, or permanent establishment.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated 30 March 2021 between the Trustee, MHCLG, HMT, Arab Banking Corporation (B.S.C.), CIMB Investment Bank Berhad, Dubai Islamic Bank P.J.S.C., Dukhan Bank Q.P.S.C., Emirates NBD Bank PJSC, HSBC Bank plc, KFH Capital Investment Company K.S.C.C., Malayan Banking Berhad and Standard Chartered Bank (together, the "**Managers**"), the Trustee has agreed to issue and sell to the Managers £500,000,000 in aggregate face amount of the Certificates and, subject to certain conditions, the Managers have jointly and severally agreed to subscribe for the Certificates.

The Subscription Agreement provides that the obligations of the Managers to pay for and accept delivery of the Certificates are subject to the approval of certain legal matters by their counsel and certain other conditions. HMT has agreed to indemnify the Managers against certain liabilities incurred in connection with the issue and offering of the Certificates.

Selling Restrictions

United States

The Certificates have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

Each Manager has represented and agreed that it has not offered and sold any Certificates, and will not offer or sell any Certificates as part of its distribution at any time except in accordance with Rule 903 of Regulation S.

The foregoing restrictions apply to holders of beneficial interests in the Certificates, as well as holders of the Certificates.

Each Manager has represented and agreed 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 with respect to any Certificates.

In addition, until 40 days after the commencement of the offering of the Certificates, an offer or sale of the Certificates within the United States by any dealer/manager (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.

United Kingdom

Each Manager has represented and agreed that:

- (a) 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 Certificate in circumstances in which section 21(1) of the FSMA does not apply to the Trustee, MHCLG or HMT; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

Kingdom of Bahrain

Each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "**accredited investors**".

For this purpose, an "**accredited investor**" means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more (excluding that person's principal place of residence);
- (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).

United Arab Emirates (excluding the Dubai International Financial Centre)

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

Dubai International Financial Centre

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

- (a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (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.

Malaysia

Each Manager has represented and agreed that:

- (a) this Offering Circular has not been registered as a prospectus with the Securities Commission Malaysia under the Capital Market and Services Act 2007 of Malaysia (the "**CMSA**"); and
- (b) accordingly, the Certificates have not been and will not be 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 Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3) of the CMSA read together with Schedule 9 or Section 257(3) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission 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 Central Bank of Malaysia to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Managers are responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

State of Qatar (including the Qatar Financial Centre)

Each Manager has represented and agreed 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 (including the Qatar Financial Centre); 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 (including the Qatar Financial Centre).

This Offering Circular: (i) has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Exchange or the Qatar Financial Centre Regulatory Authority; (ii) is intended for the original recipient only and must not be provided to any other person; and

(iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

State of Kuwait

Each Manager has represented and agreed that no Certificates will be offered, sold, promoted or advertised in the State of Kuwait, other than in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto as amended governing the issue, offering and Sale of the Certificates.

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 9 or Article 10 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Markets Authority resolution number 3-123-2017 dated 27 December 2017 (as amended by the Board of the CMA pursuant to resolution number 1-104-2019 dated 30 September 2019 (the "**KSA Regulations**") and as further amended by the Board of the CMA resolution number 1-7-2021 dated 14 January 2021 (the "**Amended KSA Regulations**"), which provides that certain Articles under the KSA Regulations (including Articles 8, 9, 10 and 15 (each as referred to therein)) shall continue to apply until 1 January 2022, at which time such Articles shall be replaced with the amended Articles as set out in the Amended KSA Regulations), made through a person authorised by the CMA to carry on the securities activity of arranging and following a notification to the CMA under Article 10 of the Amended KSA Regulations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "sophisticated investors" under Article 9 of the KSA Regulations or by way of a limited offer under Article 10 of the KSA Regulations. Each Manager has represented and agreed that any offer of Certificates to a Saudi Investor will be made in compliance with the KSA Regulations.

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

Singapore

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

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

- (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 or securities-based derivatives contracts (each term as defined in Section 2(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, 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 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

Each Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates, other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (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 "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; 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" as defined in the SFO and any rules made under the SFO.

Switzerland

Each Manager has acknowledged that this Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Certificates and the Certificates may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the "FinSA"). Each Manager has represented and agreed that no application has or will be made by it to admit the Certificates to trading on any trading venue, exchange or multilateral trading facility in Switzerland. Each Manager has further acknowledged that neither this Offering Circular nor any other offering or marketing material relating to the Certificates constitutes a prospectus pursuant to the FinSA and neither the Offering Circular nor any other offering or marketing material relating to the Certificates may be publicly distributed or otherwise made publicly available in Switzerland.

General

None of the Trustee, MHCLG, HMT or any Manager has made any representation that any action will be taken in any jurisdiction by the Trustee, MHCLG, HMT or the Managers that would permit a public offering of the Certificates, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Certificates (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required.

Each Manager has agreed that it will comply to the best of its knowledge with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Certificates or has in its possession or distributes this Offering Circular (in preliminary, proof or final form) or any amendment or supplement thereto or any such other material relating to the Certificates and will obtain any consent, approval or permission required by it for the acquisition, offer, sale or delivery by it of Certificates under the laws and regulations in force in any jurisdiction to which it makes such acquisition, offer, sale or delivery and none of the Trustee, MHCLG, HMT or any of the other Managers shall have any responsibility therefor.

GENERAL INFORMATION

Admission to Trading and Listing of Certificates

Application has been made to the FCA for the Certificates to be admitted to the Official List and to the London Stock Exchange for the Certificates to be admitted to trading on the main market of the London Stock Exchange.

It is expected that the listing of the Certificates on the Official List and admission of the Certificates to trading on the London Stock Exchange will be granted on or around 1 April 2021.

Authorisation

The issue of the Certificates has been duly authorised by a resolution of the Board of Directors of the Trustee dated 4 March 2020. The Trustee has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the issue and performance of the Certificates and the execution and performance of the Transaction Documents to which it is a party. The entry into the Transaction Documents to which MHCLG and HMT are parties have been duly authorised by the Government Alternative Finance Regulations 2014 (S.I. 2014/1327).

Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records) under common code 231728899 and ISIN XS2317288996. The FISN and CFI Code are available on the website of the Association of National Numbering Agencies or alternatively sourced from the National Numbering Agency that assigned the ISIN. Interests in the Certificates may also be held through CREST through the issuance of CDIs representing the underlying Certificates.

The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Trustee is 213800WMJIFNF3VOYA94.

Documents Available

For so long as any Certificates remain outstanding, physical copies of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of the Principal Paying Agent:

- (a) the Memorandum and Articles of Association of the Trustee;
- (b) the Declaration of Trust, the Agency Agreement, the Procurement Undertaking, the Deed of Covenant; and
- (c) this Offering Circular.

Sharia Approvals

The transaction structure relating to the Certificates (as described in this Offering Circular) has been approved by the Board Shariah Committee of CIMB Islamic Bank Berhad, the Executive Committee of the Shari'a Board of Dubai Islamic Bank PJSC, the Shari'ah Committee of Dukhan Bank Q.P.S.C., the Internal Sharia Supervisory Committee of Emirates NBD – Al Watani Al Islami, the HSBC Global Shariah Supervisory Committee and the Standard Chartered Bank Global Shariah Supervisory Committee. 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.

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MHCLG

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