

## BASE PROSPECTUS



**GULF INVESTMENT CORPORATION G.S.C.**  
(incorporated with limited liability under the laws of the State of Kuwait)

**GIC FUNDING LIMITED**  
(incorporated as an exempted company with limited liability under the laws of the Cayman Islands)

### U.S.\$2,500,000,000 EURO MEDIUM TERM NOTE PROGRAMME

This base prospectus (the "**Base Prospectus**") has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the EEA) (the "**Prospectus Directive**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union ("EU") law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for Notes issued under the Programme (as defined below) during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the "**Official List**") and to trading on its regulated market (the "**Main Securities Market**"). Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC (each such regulated market being a "**MiFID Regulated Market**") and/or which are to be offered to the public in any member state of the EEA.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between each relevant Obligor and the relevant Dealer.

References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Main Securities Market and have been admitted to the Official List or, as the case may be, another MiFID Regulated Market.

Under this U.S.\$2,500,000,000 Euro Medium Term Note Programme (the "**Programme**"), Gulf Investment Corporation G.S.C. ("**GIC**") and GIC Funding Limited ("**GFL**") and, together with GIC in its capacity as issuer, the "**Issuers**" and each an "**Issuer**") may from time to time issue Notes denominated in any currency agreed between the relevant Issuer and the relevant Dealer(s) appointed under the Programme from time to time by the Issuers (each a "**Dealer**"). The payments of all amounts due in respect of the Notes issued by GFL will be unconditionally and irrevocably guaranteed (the "**GIC Guarantee**") by GIC (in such capacity, the "**Guarantor**", and, accordingly, references to "**the relevant Obligors**" shall, in the case of any issue of Notes, mean the relevant Issuer and, if the relevant Issuer is GFL, the Guarantor). This Base Prospectus constitutes a base prospectus for the purposes of Article 5(4) of the Prospectus Directive and for the purpose of giving information with regard to GIC, GFL and the Notes which, according to the particular nature of GIC, GFL and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of GIC and GFL.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons (as defined in the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and the offer and sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "**Forms of the Notes**" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "**Subscription and Sale**".

The rating of certain Tranches of Notes to be issued under the Programme and the credit rating agency issuing such rating may be specified in the relevant Final Terms. GIC has been assigned a long term issuer rating of A2 (stable outlook) and a short term issuer rating of P-1 by Moody's Investors Service Singapore Pte. Ltd ("**Moody's Singapore**") and a long term issuer default rating of A- (stable outlook) and a short term issuer default rating of FI by Fitch Ratings Limited ("**Fitch**").

Each of Moody's Investors Services Limited ("**Moody's**") and Fitch is established in the EEA and registered under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"). Each of Moody's and Fitch is included on the list of registered credit rating agencies on the European Securities and Markets Authority ("**ESMA**") website at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>. Moody's Singapore is not established in the European Union and has not applied for registration under the CRA Regulation.

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

*Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of GFL and GIC to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.*

#### Joint Arrangers and Dealers

BofA Merrill Lynch

HSBC

#### Dealers

Barclays

Citigroup

Commerzbank

Credit Suisse

Deutsche Bank

Gulf Investment Corporation G.S.C.

Mizuho Securities

Standard Chartered Bank

The date of this Base Prospectus is 6 November 2014.

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## IMPORTANT NOTICES

*This Base Prospectus supersedes the Base Prospectus dated 24 October 2013 describing the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions contained herein. This does not affect any Notes already issued.*

Each of GIC and GFL accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. Additionally, GIC in its capacity as Guarantor accepts responsibility for the information contained in the GIC Guarantee.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or such other document or any additional information supplied by, or approved for use by, GFL or GIC or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by GFL, GIC, any Dealer (as defined in the dealer agreement dated 10 November 2004 as last amended and restated on or about 6 November 2014 (the "**Dealer Agreement**")) or HSBC Corporate Trustee Company (UK) Limited (the "**Trustee**"), which expression shall include any successor to HSBC Corporate Trustee Company (UK) Limited as trustee under the trust deed dated 10 November 2004 as last amended and restated on or about 6 November 2014 (such Trust Deed as modified and/or restated from time to time, the "**Trust Deed**").

Neither the Dealers nor any of their respective affiliates, or the Trustee, have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of GFL or GIC since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by GFL, GIC, the Trustee and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the Securities Act and Bearer Notes are subject to U.S. tax law requirements. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or regulatory body in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Bearer Notes delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by GFL, GIC, the Dealers, the Trustee or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of GFL and of GIC.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area ("**EEA**"), references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**", "**€**" or "**euro**" are to the currency introduced at the start of the third stage of European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**KWD**" are to Kuwaiti Dinars, references to "**£**" or "**Sterling**" are to Pounds Sterling, references to "**JPY**" are to Japanese Yen and references to "**RMB**" are to Chinese Yuan Renminbi.

Save where indicated otherwise, all financial information relating to GIC set out in this Base Prospectus has been extracted from the audited consolidated financial statements of GIC as at and in respect of the financial years ended 31 December 2012 and 31 December 2013, and the unaudited interim consolidated condensed financial statements of GIC as at and in respect of the six month period ended 30 June 2014. Accordingly, all financial information relating to GIC set out in this Base Prospectus as at and in respect of the six month period ended 30 June 2013 and 30 June 2014 is unaudited.

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

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes 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 Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes 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 Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant 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.

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

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

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) and the credit rating agency issuing such rating(s) will be specified in the relevant Final Terms.

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

#### **STABILISATION**

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

#### **NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA**

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

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

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following description of key features of the Programme does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in "Forms of the Notes" or "Terms and Conditions of the Notes" below shall have the same meanings in this summary of key features of the Programme.*

<b>Issuers:</b>	<p>Gulf Investment Corporation G.S.C. ("<b>GIC</b>"). GIC is a regional financial institution based in Kuwait having total assets of U.S.\$5,374 million (with total consolidated assets of U.S.\$5,505 million) as at 30 June 2014. It was established under the auspices of the Gulf Cooperation Council ("<b>GCC</b>") and is wholly owned by the six states of the GCC, being the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Sultanate of Oman, the State of Qatar and the State of Kuwait. The objective of GIC is to provide a comprehensive range of financial services that support the development of private enterprise and economic growth in the Gulf region.</p> <p>GIC Funding Limited ("<b>GFL</b>" and together with GIC in its capacity as issuer, the "<b>Issuers</b>" and each, an "<b>Issuer</b>"). GFL is wholly-owned by GIC and incorporated on 5 September 2012 with limited liability in the Cayman Islands.</p>
<b>Guarantor in respect of Notes issued by GFL:</b>	GIC
<b>Arrangers:</b>	HSBC Bank plc and Merrill Lynch International
<b>Dealers:</b>	HSBC Bank plc, Merrill Lynch International, Barclays Bank PLC, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Gulf Investment Corporation G.S.C, Mizuho International plc, Standard Chartered Bank and any other Dealer appointed from time to time by GFL and GIC either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Trustee:</b>	HSBC Corporate Trustee Company (UK) Limited
<b>Principal Paying Agent:</b>	HSBC Bank plc
<b>Paying Agent:</b>	Banque Internationale à Luxembourg, société anonyme
<b>Irish Listing Agent:</b>	Arthur Cox Listing Services Limited
<b>Registrar:</b>	HSBC Bank plc
<b>Final Terms or Drawdown Prospectus:</b>	<p>Notes issued by the relevant Issuer under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a drawdown prospectus (each a "<b>Drawdown Prospectus</b>") prepared in connection with a particular Tranche of Notes.</p> <p>For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions of the Notes as completed in the relevant Final Terms.</p>

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus.

**Admission to Listing and Trading:**

Application has been made to the Irish Stock Exchange for Notes to be admitted during the period of twelve months after the date hereof to the Official List and to be admitted to trading on the Main Securities Market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system; or will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.

**Clearing Systems:**

Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.

**Initial Programme Amount:**

Up to U.S.\$2,500,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.

**Issuance in Series:**

Notes will be issued in series (each of a "**Series**"). Each Series may comprise one or more tranches (each a "**Tranche**") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, the amount of the first payment of interest and the date from which interest starts to accrue may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Forms of Notes:**

Notes may be issued in bearer form or in registered form as specified in the relevant Final Terms.

Each Tranche of Bearer Notes will initially be in the form of either a temporary global note (a "**Temporary Global Note**") or a permanent global note (a "**Permanent Global Note**", and together with the Temporary Global Note, the "**Global Notes**") in each case as specified in the relevant Final Terms. Each Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for definitive notes (the "**Definitive Notes**"). If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be in the form of either Individual Note Certificates (an "**Individual Note Certificate**") or a Global Registered Note Certificate (a "**Global Registered Note Certificate**"), in each case as specified in the relevant Final Terms. Each Global Registered Note Certificate will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

Registered Notes will not be exchangeable for Bearer Notes or *vice versa*.

**Currencies:** Notes may be denominated in U.S.\$, euro, KWD, Sterling, JPY, RMB or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

**Status of the Notes:** Notes will be issued on an unsubordinated basis.

**Status of the GIC Guarantee of Notes issued by GFL:** Notes issued by GFL will be unconditionally and irrevocably guaranteed by GIC on an unsubordinated basis. The payment obligations of GIC under the GIC Guarantee in respect of Notes issued by GFL will constitute direct, general and unconditional obligations of GIC which (subject to the provisions of Condition 5 (*Negative Pledge*)) will rank *pari passu* with all other present and future unsecured obligations of GIC, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

**Issue Price:** Notes may be issued at any price as specified in the relevant Final Terms.

**Maturities:** Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the relevant Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the relevant Issuer.

**Redemption:** Subject to any purchase and cancellation, or early redemption, the Notes will be redeemed on the relevant Maturity Date at 100 per cent. of their nominal amount.

**Optional Redemption:** Notes may be redeemed before their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders

to the extent (if at all) specified in the relevant Final Terms.

<b>Tax Redemption:</b>	Except as described in " <i>Optional Redemption</i> " above, early redemption will only be permitted for tax reasons as described in Condition 9(b) ( <i>Redemption and Purchase — Redemption for tax reasons</i> ).
<b>Interest:</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate. In respect of each Tranche of Notes, the date from which interest becomes payable and the dates for interest, the maturity date, the repayment procedures and (in the case of Fixed Rate Notes only) an indication of yield will be specified in the relevant Final Terms.
<b>Denominations:</b>	No Notes may be issued under the Programme which have a minimum denomination of less than EUR100,000 (or its equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Negative Pledge:</b>	The Notes will have the benefit of a negative pledge as described in Condition 5 ( <i>Negative Pledge</i> ).
<b>Cross Default:</b>	The Notes will have the benefit of a cross-default provision as described in Condition 13 ( <i>Events of Default</i> ).
<b>Taxation:</b>	All payments in respect of Notes will be made free and clear of withholding taxes imposed by the relevant Tax Jurisdiction, unless the withholding is required by law. In that event, the relevant Obligor(s) will (subject as provided in Condition 12 ( <i>Taxation</i> )) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
<b>Governing Law:</b>	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
<b>Ratings:</b>	Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) and the credit rating agency issuing such rating(s) will be specified in the relevant Final Terms.
<b>Selling Restrictions:</b>	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, the State of Kuwait, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the Hong Kong Special Administrative Region of the People's Republic of China, the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan), the Cayman Islands and Singapore, see " <i>Subscription and Sale</i> " below.
<b>Risk Factors:</b>	Investing in the Notes involves certain risks. Prospective investors should consider, among other things, the risks relating to the Notes, the risks relating to the structure of a particular tranche of Notes, the risks relating to the market generally, the risks relating to GFL, the

risks relating to GIC, and the risks relating to investments in the Gulf region. For a description of certain risk factors, see "*Risk Factors*" below.

**Kuwait Companies Law and  
Capital Markets Law  
Requirements:**

Under the provisions of the new Kuwait Companies Law (Law No. 25 of 2012) as amended, ("**Companies Law**") a company may not issue debt securities unless it has first obtained, *inter alia*, the approval of the Kuwait Capital Markets Authority ("**CMA**").

Under the Dealer Agreement, GIC is required, in respect of each Tranche of Notes to be issued under the Programme where GIC is the Issuer, to obtain the prior approval of the CMA (or a waiver of such requirement).

Further, under both the Companies Law and the Capital Markets Law (No. 7 of 2010) as amended, and its executive regulations ("**CML Regulations**"), GIC is required in respect of each Tranche of Notes to be issued only where GIC is the Issuer, to submit for the approval of the CMA a prospectus which complies with the requirements of the relevant provisions of the CML Regulations, unless such requirement is waived by the CMA.

In the event that GIC is the Issuer of any Tranche of Notes under the Programme it will seek any required approvals or waivers (as the case may be) from the CMA in respect of the above requirements.

The above requirements will not apply where GIC acts in its capacity as Guarantor of an issue of Notes by GFL.

In addition, in the event that GIC is issuer, within one month of the end of the subscription period of each Tranche of Notes, the Relevant Dealer(s) as initial Noteholder(s) shall pass an Extraordinary Resolution by way of a written resolution, to elect the Trustee as the representative of the Noteholders and to adopt the provisions for meeting of Noteholders for the purposes of Kuwait law.

## **RISK FACTORS**

*Each of GFL and GIC believes that the following factors may affect their ability to fulfil their obligations under the Notes or under the GIC Guarantee, respectively. All of these factors are contingencies which may or may not occur and neither GFL nor GIC is in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.*

*If any of the risks described below actually materialise, GFL's and/or GIC's business, results of operations, financial condition or prospects could be materially and adversely affected. If that were to occur, the trading price of the Notes could decline and investors could lose all or part of their investment.*

*Each of GFL and GIC believes that the factors described below represent the material risks inherent in investing in the Notes, but the inability of either GFL or GIC to pay interest, principal or other amounts on or in connection with any Notes or to pay any amount in respect of the GIC Guarantee, respectively, may occur for other reasons which may not be considered significant risks by GFL and/or GIC based on information currently available to them or which they may not currently be able to anticipate and neither GFL nor GIC represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

*Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, among other things, the following:*

### **Risks relating to the Notes**

#### ***There is no active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Obligor. Although application has been made for the Notes issued under the Programme to be admitted to trading on the Irish Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. The Notes may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

#### ***The Notes may be redeemed by the relevant Issuer prior to maturity***

In the event that the relevant Issuer (or failing which, if the relevant Issuer is GFL, the Guarantor) would be obliged to pay such additional amounts in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the relevant Tax Jurisdiction, the relevant Issuer may redeem all outstanding Notes in accordance with the terms and conditions of the Notes (the "**Conditions**").

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the relevant Issuer's option in certain other circumstances, the relevant Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

#### ***The Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, and so investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer***

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances

described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the relevant Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their respective account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuers have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

### ***Modification, waivers and substitution***

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

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes; or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such; or (iii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 17 (*Meetings of Noteholders; Modification and Waiver*).

### ***Sovereign immunity***

Under the Notes and, as the case may be, the GIC Guarantee, GFL and GIC, as the case may be, has waived its rights in relation to sovereign immunity in respect of such documents. However, there can be no assurance as to whether such waivers of immunity from suit, execution or attachment or other legal process by GFL or GIC under the Notes and/or the GIC Guarantee (as applicable) are valid and binding under Kuwaiti law and applicable in Kuwait.

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC (the "**Savings Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other Member State or to certain limited types of entity established in that other Member State. However, for a transitional period, Austria and Luxembourg may instead apply (unless during that period they elect otherwise) a withholding system in relation to such payments, deducting tax at a rate of 35.0 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries and certain dependent or associated territories of certain Member States, including Switzerland, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States are required to apply the new requirements from 1 January 2017. The changes made under the Amending Directive include extending the scope of the Savings Directive to payments made to, or secured for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover additional types of income payable on securities.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or an amount in respect of, tax were to be withheld from that payment, none of GFL, GIC nor any Paying

Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, GFL and GIC will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

***Foreign Account Tax Compliance withholding may affect payments on the Notes***

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are in global form and held within Euroclear and/or Clearstream, Luxembourg (the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Each Issuer's obligations under the Notes are discharged once it has paid the ICSDs, and the Issuers therefore have no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act*".

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

The application and enforcement of the Kuwaiti income tax regime to Noteholders which are "non-GCC corporate entities" (as defined in "*Taxation – Kuwaiti Taxation*") is uncertain. There is a possibility that any Noteholder which is a non-GCC corporate entity may become subject to the Kuwaiti income tax regime in the future, should the Department of Income Tax (the "**DIT**") at the Kuwaiti Ministry of Finance and/or the Kuwaiti courts determine that the income received by the Noteholder in respect of any Notes held by it (whether payments are received directly from GFL or GIC each in its capacity as Issuer or are received from GIC in its capacity as the Guarantor under the Trust Deed, should there be a call on the GIC Guarantee) represents the "lending of funds inside Kuwait" (and hence constitutes the conducting of business in Kuwait for the purposes of the income tax regime in Kuwait), even if the Noteholder is not incorporated or otherwise located in Kuwait.

As the Regulations (as defined in "*Taxation – Kuwaiti Taxation*") have been implemented relatively recently, there has been no official statement made publicly by the DIT regarding its interpretation of, and/or application of, the regime described in the previous paragraph in the context of a transaction such as the issue of the Notes. Similarly, the Kuwaiti courts (who will be the final arbiters on the matter) have not been required to interpret such requirement to date. Although there has been no precedent of the DIT enforcing the imposition of income tax on non-GCC corporate entity lenders in the circumstances described above, it is not possible to state definitively how the DIT and/or the Kuwaiti courts may implement or enforce the Taxation Laws (as defined in "*Taxation – Kuwaiti Taxation*") in practice. Furthermore, the DIT has to date not always adopted consistent rulings on Kuwaiti tax matters more generally.

If the DIT and/or the Kuwaiti courts were to determine that the income received by a Noteholder which is a non-GCC corporate entity in respect of any Notes held by it (whether payments are received directly from GFL or GIC each in its capacity as Issuer or are received from GIC as the Guarantor under the Trust Deed, should there be a call on the GIC Guarantee) represents the "lending of funds inside Kuwait" (and hence constitutes the conducting of business in Kuwait for the purposes of the income tax regime described above), then such non-GCC corporate entity would become subject to the Kuwaiti income tax regime, which requires income tax (at a flat rate of 15 per cent.) to be levied on the net income and capital gains of such non-GCC corporate entities, and imposes certain disclosure and reporting obligations on persons subject to such regime. In addition, a deduction of five per cent. of the amount of any payments made by GIC in its capacity as Issuer to the Noteholders may be applied in certain circumstances, pending resolution of their tax position, although such amounts would be required to be grossed up by GIC pursuant to the provisions of the Notes. A deduction of five per cent. of the amount of any payments made by GIC as the Guarantor directly to the Noteholders (if there is a call on the GIC Guarantee) may also be applied in certain circumstances, pending resolution of their tax

position, although such amounts would also be required to be grossed up by GIC pursuant to the provisions of the Trust Deed.

Whilst the application and enforcement of the Kuwaiti income tax regime remains uncertain, there can be no assurance that Noteholders which are "non-GCC corporate entities" will not become subject to such regime in the circumstances described above. Prospective purchasers of the Notes are advised to consult their tax advisers as to the consequences under Kuwaiti and other applicable tax laws of acquiring, holding and disposing of the Notes and receiving payments under the Notes and the GIC Guarantee.

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

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

The Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus nor whether any such change could adversely affect the ability of the relevant Obligor to make payments under the Notes or, as the case may be, the GIC Guarantee or comply with their respective obligations under the transaction documents to which each is a party.

### ***Enforcing Foreign Judgments and Arbitration Awards in Kuwait***

The Dealer Agreement, the Paying Agency Agreement and the Trust Deed (each as defined in the Conditions) contain a provision allowing for a reference to arbitration or, at the option of the Trustee under the Trust Deed, the Dealers under the Dealer Agreement, and the Paying Agents, Registrar or Calculation Agent under the Paying Agency Agreement for the courts of England (the "**Courts of England**") to have jurisdiction to settle any disputes which may arise thereunder.

### ***Foreign Judgments***

Although the choice of submission to the jurisdiction of the Courts of England in these documents is valid and binding, if a claim were to be brought before the Kuwaiti Courts, the Kuwaiti Courts could accept jurisdiction in any suit, action or proceedings in the situations identified in Articles 23, 24 and 26 of Decree Law No. 38 of 1980 Enacting the Civil and Commercial Procedure Law (the "**Code**"). These situations include where: (a) the defendant in the proceedings expressly or implicitly accepted the jurisdiction of the Kuwaiti Courts; (b) the defendant is a Kuwaiti national or is resident, domiciled or has a place of business or a chosen domicile in Kuwait; or (c) if such legal proceedings relate to property (movable or immovable) located in Kuwait, an obligation is created, executed or required to be performed in Kuwait or a bankruptcy is declared in Kuwait.

There can therefore be no assurance that Kuwaiti Courts will decline jurisdiction to adjudicate any dispute under the Notes, notwithstanding the provision in the Notes providing an option for the Courts of England to have jurisdiction to settle any disputes arising thereunder. The Kuwaiti Courts could be influenced when deciding whether or not to decline jurisdiction by the existence of proceedings in relation to such dispute in another jurisdiction.

The enforcement by the Kuwaiti Courts of a monetary judgment (not involving the payment of taxes or the like) obtained in the Courts of England would require the filing of an enforcement action in the Kuwaiti Courts. Such action does not involve either a re-trial or an examination of the merits of the case; its sole purpose is to establish the compliance by the judgment with the provisions of Article 199 of the Code which requires that: (a) the courts of the jurisdiction in which the judgment was rendered must afford reciprocal treatment to judgments rendered in Kuwait; (b) the judgment must be rendered by a competent authority according to the law of the jurisdiction in which it was rendered; (c) the parties must have been duly summoned to appear and were duly represented at the proceedings; (d) the judgment must be final and non-appealable (*res judicata*) according to the law of the jurisdiction in which it was rendered; (e) the judgment must not contradict any prior judgment rendered by a Kuwaiti Court; and, finally (f) the judgment must not contain anything in conflict with the general morals or public order of Kuwait.

In respect of the requirement under Article 199 of the Code that the courts of the jurisdiction in which the judgment was issued must afford reciprocal treatment to judgments issued by the Kuwaiti Courts, there is no treaty between Kuwait and the United Kingdom that affords such required reciprocal treatment. There are no known instances of the Courts of England enforcing Kuwaiti judgments, while different decisions have been issued by the Court of Cassation (the highest court in Kuwait) with regard to the enforcement in Kuwait of a monetary judgment issued by the Courts of England. In 2004 and again in 2005, the Court of Cassation had to consider applications for the enforcement in Kuwait of an English judgment. For the application considered in 2004, the Court of Cassation was satisfied that, on the facts, the criteria for enforcement set out in Article 199 of the Code had been satisfied and therefore approved enforcement of the English judgment. However, for the application considered in 2005 the Court of Cassation concluded that the

requirements for enforcement under Article 199 of the Code were not met and consequently did not enforce the English judgment. It should be noted that precedents are not binding but are only of persuasive value to the Kuwaiti Courts.

#### *Arbitration Awards*

Kuwait is a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**"). A foreign arbitration award will be recognised and enforced in Kuwait (without re-trial or examination of the merits of the case) in accordance with Article 200 of the Code.

Article 200 of the Code provides that foreign arbitration awards are to be recognised and enforced under the same conditions (applied *mutatis mutandis* to foreign arbitration awards) as are applied in respect of the enforcement of foreign judgments under Article 199 of the Code (as detailed above) but in addition also requires that the subject matter of the award must be considered arbitrable under Kuwaiti law and that the award must be enforceable in the jurisdiction in which it was rendered. The requirement to establish reciprocal enforcement under Article 199 of the Code with respect to recognition and enforcement of arbitration awards issued in England is satisfied as England and Kuwait are both signatories to the New York Convention.

As noted above, enforcement of a foreign arbitration award or foreign judgment in Kuwait requires the filing of an enforcement action in the Kuwaiti Courts. The procedures before Kuwaiti Courts, including enforcement actions, can take a relatively long time before a final and non-appealable judgment is issued.

As might be expected for a country of its size, there have not been many occasions upon which the Kuwaiti Courts have been asked to consider the enforcement of foreign arbitration awards or foreign judgments and so (notwithstanding that on those occasions when they have been asked to do so they have shown that they will follow the provisions of the Code and enforce an arbitration award) there is not a large body of decided cases in which the practical implications of complying with Article 199 of the Code have been analysed.

#### *Trading in the clearing systems*

Notes may be issued with a minimum denomination. The Final Terms of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg (or other relevant clearing system) so permit, the Notes will be tradable in nominal amounts: (a) equal to, or integral multiples of, the minimum denomination; and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will be issued if: (a) Euroclear or Clearstream, Luxembourg (or other relevant clearing system) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs. The Final Terms may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the relevant Obligor (including rights to receive principal or interest or to vote) in respect of such Notes.

#### **Risks related to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features:

##### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes, since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the then-prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then-prevailing rates on its Notes.

## **Risks related to RMB Notes**

Notes denominated in RMB ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors, including:

***RMB is not freely convertible and there are significant restrictions on the remittance of RMB into and outside the People's Republic of China which may adversely affect the liquidity of RMB Notes***

RMB is not freely convertible at present. The government of the People's Republic of China ("**PRC**") continues to regulate conversion between RMB and foreign currencies, including the Hong Kong dollar despite the significant reduction in control by it in recent years over trade transactions involving the import and export of goods and services, as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong, Singapore and Taiwan have been permitted to engage in the settlement of current account trade transactions in RMB under certain pilot schemes. However, remittance of RMB by foreign investors into the PRC for purposes such as capital contributions, known as capital account items, is generally only permitted upon obtaining specific approvals from the relevant authorities on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of RMB into the PRC for settlement of capital account items are developing gradually.

On 13 October 2011, "Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment" (the "**PBoC RMB FDI Measures**") issued by the People's Bank of China (the "**PBoC**") set out operating procedures for PRC banks to handle RMB settlement relating to RMB foreign direct investments ("**FDI**") and borrowing by foreign invested enterprises of offshore RMB loans. On 14 June 2012, the PBoC further issued the implementing rules for the PBoC RMB FDI Measures. Under the PBoC RMB FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

On 3 December 2013, the Ministry of Commerce of the PRC ("**MOFCOM**") promulgated the "Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment" (the "**MOFCOM Circular**"), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. The MOFCOM Circular replaced the "Notice on Issues in relation to Cross-border Renminbi Foreign Direct Investment" promulgated by MOFCOM on 12 October 2011 (the "**2011 MOFCOM Notice**"). Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts for each FDI and specifying "Renminbi Foreign Direct Investment" and the amount of capital contribution is required for each FDI. Subject to the existing FDI approval authority between central MOFCOM and its local counterparts, the MOFCOM Circular no longer contains the requirements (which were provided under the 2011 MOFCOM Notice) for central level MOFCOM approvals for investments of RMB300 million or above, or in certain industries, such as financial guarantee, financial leasing, micro-credit, auction, foreign invested investment companies, venture capital and equity investment vehicles, cement, iron and steel, electrolyse aluminium, ship building and other industries under the state macro-regulation. Unlike the 2011 MOFCOM notice, the MOFCOM Circular has also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

As the above measures and circulars are still relatively new, how they will be applied in practice still remains subject to the interpretation of the relevant PRC authorities.

There is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of RMB in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC. In the event that the relevant Obligor is not able to repatriate funds outside the PRC in RMB, the relevant Obligor will need to source RMB offshore to finance their obligations under the RMB Notes, and their ability to do so will be subject to the overall availability of RMB outside the PRC.

***There is only limited availability of RMB outside the PRC, which may affect the liquidity of the RMB Notes and the relevant Obligor's ability to source RMB outside the PRC to service RMB Notes***

As a result of the restrictions by the PRC Government on cross-border RMB fund flows, the availability of RMB outside the PRC is limited.

As of 31 January 2014, the total amount of RMB deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB 893,359 million. As of 31 December 2013, the total amount of RMB deposits held by Taiwan foreign exchange banks and offshore banking units had exceeded RMB 180 billion.

While the PBoC has established RMB clearing and settlement mechanisms for participating banks in Hong Kong, Singapore and Taiwan through settlement agreements on the clearing of RMB business (the "**Settlement Agreements**") with Bank of China (Hong Kong) Limited in Hong Kong, Industrial and Commercial Bank of China, Singapore Branch in Singapore and Bank of China, Taipei Branch in Taiwan (each, an "**RMB Clearing Bank**"), the current size of RMB denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on RMB business participating banks in respect of cross-border RMB settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, RMB business participating banks do not have direct RMB liquidity support from the PBoC. The RMB Clearing Banks only have access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source RMB from outside the PRC to square such open positions.

Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future which will have the effect of restricting availability of RMB outside the PRC. The limited availability of RMB outside the PRC may affect the liquidity of the RMB Notes. To the extent the relevant Obligor is required to source RMB outside the PRC to service the RMB Notes, there is no assurance that the relevant Obligor will be able to source such RMB on satisfactory terms, if at all.

If the relevant Obligor is unable to source such RMB, the Obligor's obligation to make a payment in RMB under the terms of the Notes may be replaced by an obligation to pay such amount in a Specified Currency (as specified in the relevant Final Terms) converted using the Spot Rate for the relevant Rate Calculation Date (all as defined in the Conditions and further described in Condition 10(k) (*Payments – Bearer Notes – RMB Currency Event*) and Condition 11(g) (*Payments – Registered Notes – RMB Currency Event*)).

***Investment in RMB Notes is subject to currency risks***

Except in limited circumstances, all payments of RMB under the RMB Notes will be made solely by transfer to a RMB bank account maintained in Hong Kong in accordance with the prevailing rules and regulations for such transfer and in accordance with the terms and conditions of the RMB Notes. The relevant Obligor cannot be required to make payment by any other means (including by transfer to a bank account in the PRC or anywhere else outside Hong Kong). RMB is not freely convertible at present, and conversion of RMB into other currencies through banks in Hong Kong is subject to restrictions.

In addition, there can be no assurance that access to RMB for the purposes of making payments under the RMB Notes by the relevant Obligor or generally will remain or that new PRC regulations will not be promulgated which have the effect of restricting availability of RMB outside of the PRC. If it becomes impossible to convert RMB from or to another freely convertible currency, or transfer RMB between accounts in Hong Kong, or the general RMB exchange market in Hong Kong becomes illiquid, or any RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended, the relevant Obligor may make any payment of RMB under the RMB Notes in another currency selected by the relevant Obligor using an exchange rate determined by the Calculation Agent.

***Investment in RMB Notes is subject to exchange rate risks***

The value of RMB against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. The relevant Issuer (failing which, if the relevant Issuer is GFL, the Guarantor) will make all payments of interest and principal with respect to the RMB Notes in RMB, unless otherwise specified. As a result, the value of such payments in RMB (in U.S. dollars or other applicable foreign currency terms) may vary with the prevailing exchange rates in the marketplace. If the value of RMB depreciates against the U.S. dollar or other foreign currencies, the value of the investment made by a Holder of the RMB Notes in U.S. dollars or other applicable foreign currencies will decline.

***Payments for RMB Notes will only be made to investors in the manner specified in the RMB Notes***

All payments to investors in respect of the Notes will be made solely (i) for so long as the RMB Notes are represented by a Temporary Global Note or a Permanent Global Note held with the common depositary or common safekeeper, as the case may be, for Clearstream, Luxembourg and Euroclear or any alternative clearing system by transfer to a RMB bank account maintained in the applicable RMB Settlement Centre(s) (as defined in the Conditions), or (ii) for so long as the Notes are in definitive form, by transfer to a RMB bank account maintained in the applicable RMB Settlement Centre(s) in accordance with prevailing rules and regulations. The relevant Issuer (or, as the case may be, the Guarantor) cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

In the event that access to RMB becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in Condition 10(k) (*Payments — Bearer Notes — RMB Currency Event*)) or Condition 11(g) (*Payments — Registered Notes — RMB Currency Event*), the relevant Issuer or (if applicable) the Guarantor is unable, or it is impractical for it, to pay interest or principal in RMB, the Terms and Conditions of the Notes allow the relevant Issuer or (if applicable) the Guarantor to make payment in U.S. dollars at the prevailing spot rate of exchange, all as provided in more detail in Condition 10(k) (*Payments — Bearer Notes — RMB Currency Event*)) or Condition 11(g) (*Payments — Registered Notes — RMB Currency Event*), as the case may be. As a result, the value of these RMB payments may vary with the prevailing exchange rates in the marketplace. If the value of RMB depreciates against the U.S. dollar or other foreign currencies, the value of a Noteholder's investment in U.S. dollar or other foreign currency terms will decline.

***An investment in RMB Notes is subject to interest rate risks***

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. The RMB Notes may carry a fixed interest rate. Consequently, the trading price of such RMB Notes will vary with fluctuations in interest rates. If a holder of RMB Notes tries to sell any RMB Notes before their maturity, they may receive an offer that is less than the amount invested.

***Gains on the transfer of the RMB Notes may become subject to income taxes under PRC tax laws***

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of RMB Notes by a non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is income derived from sources within the PRC. Under the PRC Enterprise Income Tax Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. However, uncertainty remains as to whether the gain realised from the transfer of RMB Notes by a non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to the PRC EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of RMB Notes (such EIT is currently levied at the rate of 10 per cent. of gains realised and such IIT is currently levied at the rate of 20 per cent. of gains realised (with deduction of reasonable expenses), unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual resident holders of RMB Notes reside that reduces or exempts the relevant EIT or IIT), the value of their investment in RMB Notes may be materially and adversely affected.

***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***Exchange rate risks and exchange controls***

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the GIC Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's

financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (1) the Investor's Currency-equivalent yield on the Notes; (2) the Investor's Currency-equivalent value of the principal payable on the Notes; and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### ***Interest rate risks***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

#### ***Credit ratings may not reflect all risks***

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

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

#### **Risks Relating to GFL**

##### ***GFL has a limited operating history and no material assets***

At the date of the Base Prospectus, GFL is an exempted company with limited liability, incorporated under the laws of the Cayman Islands on 5 September 2012 and has a limited operating history and prior business relating to the issuance of two Series of Notes under this Programme in November 2012 (and other activities incidental thereto). GFL will not engage in any business activity other than the issuance of Notes under this Programme and other borrowing programmes established from time to time by GIC, the issuance of shares in its capital and other activities incidental or related to the foregoing. GFL is not expected to have any income except payments received from GIC, which will be the only material source of funds available to meet the claims of the Noteholders. As a result, GFL is subject to all of the risks to which GIC is subject, to the extent that such risk could limit GIC's ability to satisfy in full and on a timely basis its obligations to GFL under the Programme.

As GFL is a Cayman Islands company, it may not be possible for Noteholders to effect service of process outside of the Cayman Islands.

##### ***Enforcement of Arbitration Awards and Provisions in the Cayman Islands***

The courts of the Cayman Islands will recognise and enforce arbitral awards made pursuant to an arbitration agreement in a jurisdiction which is a party to the New York Convention. The United Kingdom and the Cayman Islands are parties to the New York Convention with the result that an arbitral award made in the United Kingdom pursuant to the Notes, the Trust Deed, the Paying Agency Agreement or the Dealer Agreement (as defined in "*Subscription and Sale*") will be recognised and enforced in the Cayman Islands, unless the party against whom enforcement is sought can establish one of the defences set out in section 7 of the Foreign Arbitral Awards Enforcement Law (1997 Revision) of the Cayman Islands.

Furthermore, subject as set out below, the submission by the parties to the transaction documents to arbitration (the "**Arbitration Agreement**") is legal, valid, binding and enforceable, assuming the same is true under the relevant arbitral rules nominated by the transaction documents, and under the laws, rules and procedures applying in any court in which any proceeding is commenced.

Also, if any party to the Arbitration Agreement (or any person claiming through or under it) commences any legal proceedings in any court of the Cayman Islands against any other party to such agreement (or any person claiming through or under it) in respect of any matter agreed to be referred to arbitration, any party to the proceedings may at any time after appearance, and before delivering any pleadings or taking any other steps in the proceedings, apply to the court to stay the proceedings; and the court, unless satisfied that the Arbitration Agreement is null and void, inoperative or incapable of being performed or that there is not in fact any dispute between the parties with regard to the matter agreed to be referred to arbitration, shall make an order staying the proceedings.

As referred to above, there may be circumstances in which the courts of the Cayman Islands would accept jurisdiction notwithstanding such arbitration provisions, including, for example, where the Arbitration Agreement is contrary to public policy or, where such a dispute is not capable of determination by arbitration (for example, where a party is seeking a winding up order pursuant to the Companies Law (2013 Revision) of the Cayman Islands, or where a party is seeking injunctive relief freezing assets).

## **Risks Relating to GIC**

### ***There is no assurance that GIC's financial performance can be sustained in the future***

GIC is owned by the six states comprising the GCC and is a GCC-based institution and therefore exposed to the risks prevailing in the Gulf region. Part of the investments of GIC are located within the GCC countries and it draws a significant part of its deposits from governments, central banks and other institutions headquartered in the GCC. GIC also has investments in and exposure to international markets and geographies outside the GCC. In common with many other financial institutions in the GCC and beyond, the turmoil in the global financial markets and the economic crisis and related recessionary conditions witnessed since 2008 have had an adverse impact on performance. There can be no assurance that GIC's financial performance can be sustained in the future, or that growth and stability in the markets in which GIC invests and operates will continue. Because of the inter-relationships within global financial markets, investors should note that GIC's business and financial performance could be adversely affected by political, economic and related developments both within and outside the GCC and the Middle East region. See further "*Risks relating to investments in the Gulf region – GIC is located in a region that has been subject to ongoing political and security concerns*" below.

### ***The interests of GIC's shareholders may, in certain circumstances, be different from the interests of the Noteholders***

As GIC is owned by the six states comprising the GCC, the GCC shareholding states are in a position to control the outcome of actions requiring shareholder approval and also appoint all the members of GIC's board of directors and thus have the ability to influence the board of directors' decisions.

The interests of the GCC shareholders may from time to time be different from those of GIC's creditors, including the Noteholders. For example, decisions made by GIC's board of directors may be influenced by the need to consider objectives affecting the GCC states as a whole, including strategic and development objectives. Such decisions could result in GIC making investments for other than purely commercial reasons, which may not be in the interests of the Noteholders.

### ***GIC is exposed to a variety of risks***

In the course of its business activities, GIC is exposed to a variety of risks, the most significant of which are credit, market, operational and liquidity. While GIC believes that it has implemented the appropriate policies, systems and processes to control and mitigate these risks, investors should note that the probability of failure to adequately control these risks could be greater than anticipated. This could result in adverse effects on GIC's financial condition and reputation. A detailed description of GIC's risk-management processes with respect to credit, market, liquidity and operational risk is included in "*Description of GIC – Internal Control & Risk Management*".

### ***GIC is exposed to credit risk***

Credit risk is the possibility of loss arising from the failure of an obligor to completely fulfil its contractual obligations, and is inherent in a wide range of GIC's business, principally in its investment activities. Credit risks can arise from a general deterioration in local or global economic conditions, from systemic risk within financial systems, or from the

deterioration in the credit quality of specific issuers. Although detailed and thorough analysis is conducted prior to taking on credit risk, unforeseen events could trigger a decline in the creditworthiness associated with a transaction, resulting in a decline in the value of GIC's assets and requiring an increase in GIC's provisions.

#### ***GIC is exposed to market risk***

Market risk is the possibility of loss in value of financial instruments, resulting from an adverse change in market factors. Within GIC, market risk is made up of three key risk constituents – interest rate risk, equity risk and foreign exchange risk. Changes in interest rates, yield curves and spreads may affect the margin realised between GIC's investments and borrowings. Changes in foreign exchange rates may affect the value of assets and liabilities denominated in foreign currencies. Changes in equity prices may affect the values of GIC's investment and trading portfolios. Uncertainties within markets make it difficult to predict the effects that changes in market conditions may have on GIC's financial performance.

#### ***GIC is exposed to liquidity risk***

Liquidity risk is the risk of being unable to meet all present and future financial obligations in a timely manner, whether as a result of an increase in liabilities or a decrease in assets. Liquidity risk may be further compounded by the inability of GIC to raise funds at an acceptable cost to meet its obligations in a timely manner. GIC's funding base is wholesale in nature, sourced primarily from institutional depositors in the GCC (including GCC-country governments and Central Banks), term financing facilities, the interbank market and securities repurchase agreements. As at 30 June 2014, 98.8 per cent. of customer and inter-bank deposits were from sources within the GCC and constituted around 32.7 per cent. of total liabilities. In addition, should GIC wish to raise funds by disposing of part of its projects and equity participation portfolio, it may face difficulties in effecting any such disposal in a timely manner and/or at an acceptable price as a result of the majority of such investments being in unlisted companies. Such difficulties in disposing of investments in unlisted companies are likely to be greater during times of global economic stress since the availability of willing buyers is likely to be reduced.

#### ***GIC is exposed to operational risk***

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, external events, and/or unexpected, unusual one-off events. GIC's operational risk management framework is a part of its overall enterprise risk management framework and sets out the principles and practices that GIC uses to manage operational risk by identifying, measuring, controlling, monitoring and reporting risks. Operational risk mitigation includes disaster-recovery planning as another element of operational risk management. Although GIC has implemented these controls and loss mitigation strategies, it is not possible to eliminate entirely each of the operational risks.

#### ***GIC's portfolio of investments in projects and equity participations shows industry concentration***

Based on management data, as at 30 June 2014, 42 per cent. of GIC's portfolio of investments in projects and equity participations related to investments and equity participations in the chemicals industry, 17.1 per cent. in the metals and mining industry and 8.2 per cent. in the diversified telecommunication services industry and 7.1 per cent. in the power production and energy industry. No other industry sector exceeded 7 per cent. of GIC's portfolio of investments in projects and equity participations as at 30 June 2014 (see "*Description of GIC – Asset Quality – Investments in Projects and Equity Participations*" for a complete breakdown of concentrations in GIC's investment portfolio by industry sector as at 30 June 2014 and 31 December 2013). The concentration of investments and equity participations in the chemicals and metals and mining industry sectors exposes GIC to the industry-specific risk to which such investments and equity participations are exposed, including:

- the metals and mining industry is a cyclical industry which has historically experienced significant demand and price volatility;
- the chemicals and metals and mining industries are highly regulated (including with respect to health and safety and environmental matters) and the introduction of new regulations (or uncertainty as their application) may affect operations and/or exert a downward pressure on profitability of companies operating in these industries;
- operational risks, such as shutdown, breakdown, failure or malfunctioning of equipment or machinery may have a material adverse effect on companies operating in the chemicals and metals and mining industries (or any of them); and
- the performance of the metals and mining and chemicals industries are each influenced by conditions in the global financial markets and macroeconomic trends; and exploration and development of new projects by mining and

metals companies may not prove to be successful, expenditures may not be fully recovered and depleted ore reserves may not be replaced.

Exposure of GIC's portfolio companies to these and other industry and business-specific risks may have a material adverse effect on its business, results of operations, financial condition and prospects.

***GIC may be affected by legal and regulatory changes***

GIC was established under the auspices of the GCC, and its Agreement of Incorporation and Articles of Association, signed by each of the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Sultanate of Oman, the State of Qatar and the State of Kuwait (the "**Shareholder States**"), expressly immunise it from nationalisation, restrictions linked to currency controls and taxation on its funds, profits and financial transactions in all of the Shareholder States. Nonetheless, changes in governmental policy and regulations and changes in policies or laws currently applicable to GIC may impact the success of the companies in which GIC invests and the ability of GIC to realise or make investments. Such changes could include:

- changes in investment and bankruptcy legislation;
- general changes in governmental policy that may significantly influence vendor, purchaser and other investor decisions;
- other unfavourable political or diplomatic developments producing social instability or legal uncertainty, which in turn may affect GIC's ability to make or realise investments;
- the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements; and
- the effects of competition in the markets where GIC operates, including increased competition resulting from new types of funds and investors including banks and financial services companies.

***GIC is exposed to risks of mismanagement, fraud or failure***

GIC continues to develop its systems in response to expected growth and increased sophistication in the asset management market. While GIC believes that it has appropriate financial and management controls in place, any mismanagement, fraud or failure to satisfy fiduciary responsibilities, or the negative publicity resulting from such activities or the accusation by a third party of such activities, could have an adverse effect on GIC.

***Dependence on key personnel***

GIC's operations depend, in part, on the continued service of senior executives and other qualified personnel as well as its ability to recruit and retain skilled employees. The competition for such employees in the GCC is intense. Failure by GIC to manage its personnel needs successfully could have a material adverse effect on its business, results of operations, financial condition and prospects.

***GIC may have significant financing or refinancing requirements, the Shareholder States are not committed to provide financial or other support to GIC and the Shareholder States are not guaranteeing any of GIC's obligations in respect of the Notes***

GIC has in the past made, and anticipates that it may continue to make, significant capital and investment expenditures. GIC's primary source of funding is third party debt financing (including by way of the issue of Notes under the Programme). GIC's ability to obtain external financing and the cost of such financing depend on numerous factors, including general economic and market conditions, international interest rates, the availability of credit from banks or other financiers, investor confidence in GIC and the Shareholder States and the financial condition of GIC. There can be no assurance that external financing will be available when required or, if available, that such financing will be obtainable on terms that are commercially acceptable to GIC. Although the Shareholder States have, in the past, provided financial support to GIC (see "*Description of GIC – Relationship with Shareholders*"), the Shareholder States are not legally obliged to fund any of GIC's investments and accordingly may decide not to do so in the future. Furthermore, the Shareholder States are not guaranteeing any of GIC's obligations in respect of the Notes and the Noteholders therefore do not benefit from any legally enforceable claim against the Shareholder States (see "*Risks relating to GIC – GIC's financial obligations, including its obligations in respect of the Notes, are not guaranteed by the Shareholder States*").

***GIC's financial obligations, including its obligations in respect of the Notes, are not guaranteed by the Shareholder States***

Although GIC is wholly-owned by the Shareholder States, GIC's obligations in respect of the Notes are not guaranteed by the Shareholder States. In addition, although in the past, the Shareholder States have provided financial support to GIC (see "*Description of GIC – Relationship with Shareholders*"), the Shareholder States are under no obligation to extend financial support to GIC. Accordingly, GIC's financial obligations, including its obligations in respect of the Notes, are not and should not be regarded as, obligations of the Shareholder States. GIC's ability to meet its financial obligations in respect of the Notes is solely dependent on its ability to fund such amounts from its operating revenues, profits and cash flows. Therefore any decline in GIC's operating revenues, profits and cash flows, or any difficulty in securing external funding, may have a material adverse effect on GIC's business, results of operations, financial condition and prospects and this could therefore affect the ability of GIC to perform its obligations in respect of any Notes.

**Risks relating to investments in the Gulf region**

***GIC is in a competitive environment***

GIC competes with global and local specialist investment management companies, as well as banks and financial services companies. A failure by GIC to compete effectively in this environment may result in GIC missing opportunities to capture new business.

***GIC relies on certain third parties***

GIC relies, through its outsourcing arrangements, on a number of third-party providers. Any interruption in GIC's ability to rely on the services of these third parties could impair the timing and quality of GIC's services or damage GIC's brand or reputation.

***Investing in securities involving emerging markets generally involves a higher degree of risk***

Investing in securities involving emerging markets, such as those of the GCC countries, generally involves a higher degree of risk than investments in securities of issuers from more developed countries. These higher risks include, but are not limited to, higher volatility, limited liquidity and changes in the legal, economic and political environment. The economies of the GCC countries are susceptible to future adverse effects similar to those suffered by other emerging market countries. In any event, there can be no assurance that the market for securities bearing emerging market risk, such as the Notes, will not be affected negatively by events elsewhere, especially in emerging markets. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

***GIC is located in a region that has been subject to ongoing political and security concerns***

GIC's financial performance can be adversely affected by political, economic and related developments within the countries of the GCC and by the political and economic instability in surrounding countries, such as Iraq, Iran and the countries of Middle East and North Africa. Although not unique to the region, the GCC region and surrounding countries are exposed to specific risks that may have a material impact on the business carried out by GIC, its operating results and its financial condition.

Amongst those specific risks is the possibility of:

- political and social instability;
- downturn in economic conditions;
- external acts of warfare, civil clashes and terrorist activity;
- natural disasters; and
- regulatory, taxation and legal structure changes.

The GCC countries are located in a region that is strategically important and parts of this region have at times experienced political instability. Regional wars, such as the Gulf War of 1991, the Iraq War of 2003 and the 2006 conflict in Lebanon as well as terrorist acts, maritime piracy or other forms of instability, including continuing global tensions over the Islamic Republic of Iran's nuclear programme, in the Middle East and surrounding regions that may or

may not directly involve countries of the GCC may have a material adverse effect on the ability of the GCC countries to engage in international trade and, subsequently their economic and financial conditions.

In particular, since early 2011 there has been political unrest in a range of countries in the MENA region, including Algeria, Bahrain, Egypt, Jordan, the Islamic Republic of Iran, Libya, Oman, the Kingdom of Saudi Arabia, Syria, Tunisia and Yemen. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict and has given rise to increased political uncertainty across the region. More recently, there has been an increase in insurgency in parts of Syria and Iraq. GIC's business may be affected by the financial, political and general economic conditions prevailing from time to time in the GCC region and the Middle East. It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that GIC would be able to sustain its current profit levels if adverse political events or circumstances were to occur. A general downturn or instability in certain sectors of the GCC region as a whole or the regional economy could have an adverse effect on GIC's business, financial condition and results of operations. Investors should also note that GIC's business and financial performance could be adversely affected by political, economic or related developments both within and outside the Middle East because of inter-relationships within the global financial markets.

## INFORMATION INCORPORATED BY REFERENCE

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

1. the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of GIC in respect of the year ended 31 December 2012 (set out on pages 55 to 98 of the 2012 annual report of GIC), an electronic copy of which is available for viewing at [https://www.gic.com.kw/site\\_media/uploads/annual-reports/GIC\\_AR\\_2012\\_Eng.pdf](https://www.gic.com.kw/site_media/uploads/annual-reports/GIC_AR_2012_Eng.pdf);
2. the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of GIC in respect of the year ended 31 December 2013 (set out on pages 67 to 117 of the 2013 annual report of GIC), an electronic copy of which is available for viewing at [https://www.gic.com.kw/site\\_media/uploads/annual-reports/ar\\_2013\\_gic\\_eng\\_fa.pdf](https://www.gic.com.kw/site_media/uploads/annual-reports/ar_2013_gic_eng_fa.pdf);
3. the unaudited interim consolidated condensed financial statements (including the auditors' review report thereon and notes thereto) of GIC in respect of the six-month period ended 30 June 2014, an electronic copy of which is available for viewing at [https://www.bourse.lu/oam/searchresults?searchtype=oam&oam\\_codifInstr=&oam\\_libEmet=gic+funding+limited&oam\\_typeRechLib=MILIEU&oam\\_paysEmet=-1&oam\\_codifTiersDecla=&oam\\_idTypeDepo=-1&oam\\_anRef=-1&oam\\_startDatePubli=&oam\\_endDatePubli=&oam\\_indicCourant=O](https://www.bourse.lu/oam/searchresults?searchtype=oam&oam_codifInstr=&oam_libEmet=gic+funding+limited&oam_typeRechLib=MILIEU&oam_paysEmet=-1&oam_codifTiersDecla=&oam_idTypeDepo=-1&oam_anRef=-1&oam_startDatePubli=&oam_endDatePubli=&oam_indicCourant=O); and
4. the Terms and Conditions of the Notes contained in the base prospectus relating to the Programme dated 4 October 2012, pages 28 to 54 (inclusive), an electronic copy of which is available for viewing at [https://www.bourse.lu/issuer/documents/information?numEmet=241691#SignEmetDocsProg\\_showMoreDetails](https://www.bourse.lu/issuer/documents/information?numEmet=241691#SignEmetDocsProg_showMoreDetails) (once on the webpage, investors should click to expand "*Max. USD 2.500.000.000.- Euro Medium Term Note Programme 2013 (Annual Update)*", followed by "*OBL - GICFunding 3,25% 28/11/2017 (XS0859236092)*").

The consolidated financial statements of GIC have been prepared in accordance with the regulations of the government of the State of Kuwait for financial services institutions regulated by the CBK. These regulations require adoption of all International Financial Reporting Standards ("**IFRS**") except for the IAS 39 requirement for collective provision, which has been replaced by the CBK's requirement for a minimum general provision as described under the accounting policy for impairment of financial assets. In addition, the consolidated financial statements have been prepared in accordance with the Ministerial Order No.18 of 1990 and GIC's memorandum and articles of association.

This Base Prospectus is available for viewing on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

The following items appearing in such financial statements are to be found on the following pages of the 2012 annual report of GIC:

Item	Page(s) of 2012 Annual Report
Auditors' Report.....	57
Consolidated Statement of Financial Position .....	58
Consolidated Statement of Income .....	59
Accounting Policies .....	63–75
Explanatory Notes .....	63–98

The following items appearing in such financial statements are to be found on the following pages of the 2013 annual report of GIC:

Item	Page(s) of 2013 Annual Report
Auditors' Report.....	68
Consolidated Statement of Financial Position .....	69
Consolidated Statement of Income .....	70
Accounting Policies .....	74-88
Explanatory Notes .....	74-117

The following items appearing in such condensed financial information statements are to be found on the following pages of the 2014 interim report of GIC:

<b>Item</b>	<b>Page(s) of 2014 Interim Report</b>
Auditors' Review Report .....	1-2
Interim Consolidated Statement of Financial Position .....	3
Interim Consolidated Statement of Profit or Loss .....	4
Basis of Preparation .....	8
Explanatory Notes .....	8-22

Any information not listed in the cross-reference table above, but included in the documents incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of each Obligor and of the rights attaching to the Notes and, where applicable, the GIC Guarantee. In relation to the different types of Notes, which may be issued under the Programme, each relevant Obligor has endeavoured to include in this Base Prospectus all of the necessary information, except for information relating to the Notes, which is not known at the date of this Base Prospectus and, which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes, which is not included in this Base Prospectus and, which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms, unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For a Tranche of Notes, which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes, which is the subject of Final Terms are the Conditions as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes, which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes, which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus, unless the context requires otherwise.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the relevant Obligors and the relevant Notes.

## FORMS OF THE NOTES

### **Bearer Notes**

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or any other relevant clearing system, as may be specified in the relevant Final Terms.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### ***Temporary Global Note exchangeable for Permanent Global Note***

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note, which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless upon due certification, exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure, unless otherwise specified in the relevant Final Terms (in the case of first exchange), the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office (as defined in the Terms and Conditions) of the Principal Paying Agent; and
  - (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,
- within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; **provided, however, that** in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Bearer Notes in definitive form ("**Definitive Notes**"):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and, in such case, no successor or alternative clearing system satisfactory to the Trustee or the relevant Issuer is available or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes specified in the relevant Final Terms includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000".

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

***Temporary Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

***Permanent Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note, which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and, in such case, no successor or alternative clearing system satisfactory to the Trustee or the relevant Issuer is available or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes specified in the relevant Final Terms includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000".

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

### ***Terms and Conditions applicable to Bearer Notes***

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

### ***Legend concerning United States persons***

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended."

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

### **Registered Notes**

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note Certificate**"), in each case as specified in the relevant Final Terms. Each Global Registered Note Certificate will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note Certificate which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note Certificate", then if: (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Global Registered Note Certificate is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note Certificate at the Specified Office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Paying Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to

any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature, which may be levied or imposed in connection with such exchange.

***Terms and Conditions applicable to Registered Notes***

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms, which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note Certificate will differ from those terms and conditions, which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions, which, as completed by the relevant Final Terms (and save for the text in italics), will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions, which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

### 1. Introduction

- (a) **Programme:** Gulf Investment Corporation G.S.C. ("**GIC**") and GIC Funding Limited ("**GFL**", and together with GIC in its capacity as issuer, the "**Issuers**" and each an "**Issuer**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$2,500,000,000 in aggregate principal amount of notes (the "**Notes**") denominated in any currency agreed between the relevant Issuer and the relevant Dealer(s) appointed under the Programme from time to time by the Issuers or the relevant Issuer, as the case may be (each a "**Dealer**"). The payments of all amounts due in respect of the Notes issued by GFL will be unconditionally and irrevocably guaranteed by GIC (in such capacity, the "**Guarantor**", and, accordingly, references to "**the relevant Obligor(s)**" shall, in the case of any issue of Notes, mean the relevant Issuer and, if the relevant Issuer is GFL, GFL and the Guarantor) pursuant to a guarantee (the "**GIC Guarantee**") as set out in a trust deed, dated 10 November 2004, as last amended and restated on or about 6 November 2014, and as amended or supplemented from time to time (the "**Trust Deed**"), made between GFL, GIC and HSBC Corporate Trustee Company (UK) Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees appointed under the Trust Deed).
- (b) **Final Terms:** Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (together the "**Final Terms**"), which complete these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **Trust Deed:** The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). The Notes are subject to and have the benefit of and, in the case of Registered Notes, are constituted by the Trust Deed.
- (d) **Paying Agency Agreement:** The Notes are the subject of an issue and paying agency agreement dated 10 November 2004 as last amended and restated on or about 6 November 2014 and as amended or supplemented from time to time (the "**Paying Agency Agreement**") between GFL, GIC, the Trustee, HSBC Bank plc (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in accordance with the Paying Agency Agreement in connection with the Notes), HSBC Bank plc as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in accordance with the Paying Agency Agreement in connection with the Notes) and the transfer agent named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (e) **The Notes:** All subsequent references in these Conditions to "**Notes**" are to the Notes, which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for inspection during normal business hours at the Specified Office of the Principal Paying Agent, the initial Specified Office of which is set out below.
- (f) **Summaries:** Certain provisions of these Conditions are summaries of the Trust Deed and the Paying Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any (the "**Couponholders**" and the "**Coupons**", respectively), are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Paying Agency Agreement applicable to them. Copies of the Trust Deed and the Paying Agency Agreement are available for inspection during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

## 2. Interpretation

(a) **Definitions:** In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in a currency other than euro and RMB, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and
- (c) in the case of RMB, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the applicable RMB Settlement Centre(s) (as defined below);

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day, unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day, which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

**"Consolidated Subsidiary"** means, in relation to an Obligor, at any particular time, any Person whose financial statements are, in accordance with applicable law and generally accepted accounting principles applicable to such Obligor, consolidated with those of such Obligor, as evidenced by such Obligor's then most recent audited consolidated financial statements;

**"Coupon Sheet"** means, in respect of a Note in definitive form, a coupon sheet relating to the Note;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if **"Actual/365"** or **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (e) if **"30/360"** is so specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"M<sub>1</sub>"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

**"M<sub>2</sub>"** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"D<sub>1</sub>"** is the first calendar day of the Calculation Period, expressed as a number, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (g) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Return Accumulation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Return Accumulation Period unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless (i) that day is the last day of February, but not the Maturity Date, or (ii) such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

**"Early Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"EURIBOR"** has the meaning given in Condition 7(d) (*ISDA Determination*);

**"Extraordinary Resolution"** has the meaning given in the Trust Deed;

**"Final Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Fixed Coupon Amount"** has the meaning given in the relevant Final Terms;

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the applicable RMB Settlement Centre(s);

**"Guarantee"** means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness;

**"Holder"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

**"Illiquidity"** means the general RMB exchange market in the applicable RMB Settlement Centre(s) becomes illiquid as a result of which the relevant Obligor cannot obtain sufficient RMB in order to make a payment under the Notes, as determined by the relevant Obligor in a commercially reasonable manner following consultation with two RMB Dealers;

**"Inconvertibility"** means the occurrence of any event that makes it impossible for the relevant Obligor to convert any amount due in respect of the Notes into RMB on any payment date in the general RMB exchange market in the applicable RMB Settlement Centre(s), other than where such impossibility is due solely to the failure of the relevant Obligor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the relevant Obligor, due to an event beyond its control, to comply with such law, rule or regulation);

**"Indebtedness"** means any indebtedness of any Person for money borrowed or raised;

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period (other than Adjusted RMB Fixed Rate Notes);

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the First Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA Definitions"** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

**"Issue Date"** has the meaning given in the relevant Final Terms;

**"LIBOR"** has the meaning given in Condition 7(d) (*ISDA Determination*);

**"Margin"** has the meaning given in the relevant Final Terms;

**"Maturity Date"** has the meaning given in the relevant Final Terms;

**"Maximum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Minimum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Non-transferability"** means the occurrence of any event that makes it impossible for the relevant Obligor to deliver RMB between accounts inside the applicable RMB Settlement Centre(s) or from an account inside the applicable RMB Settlement Centre(s) to an account outside the applicable RMB Settlement Centre(s) (including where the RMB clearing and settlement system for participating banks in the applicable RMB Settlement Centre(s) is disrupted or suspended), other than where such impossibility is due solely to the failure of the relevant Obligor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the relevant Obligor, due to an event beyond its control, to comply with such law, rule or regulation);

**"Noteholder"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Final Terms;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Final Terms;

**"Payment Business Day"** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre;
- (b) if the currency of payment is not euro or Renminbi, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre; or

- (c) if the currency of payment is Renminbi, a day on which the applicable RMB Settlement Centre(s) settle(s) Renminbi payments;

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

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that, currency **provided, however, that**, in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Principal Subsidiary"** means any Consolidated Subsidiary whose assets from time to time represent not less than five per cent. of the consolidated assets of the relevant Obligor or relevant Issuer, as the case may be, from time to time as shown in such Obligor's or Issuer's, as the case may be, most recent audited consolidated annual financial statements (or, if more recent, consolidated interim financial statements);

**"Put Option Notice"** means a notice, which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate Calculation Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the applicable RMB Settlement Centre(s) and the principal financial centre of the country of the Specified Currency;

**"Rate Calculation Date"** means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the Notes;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**"Reference Banks"** means the four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Price"** has the meaning given in the relevant Final Terms;

**"Reference Rate"** has the meaning given in the relevant Final Terms;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to, but excluding the First Interest Payment Date and each successive period from and including one Interest Payment Date to, but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to, but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to, but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee, as the case may be on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 20 (*Notices*);

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"Relevant Indebtedness"** means any Indebtedness, which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Final Terms;

**"Reserved Matter"** has the meaning given in Condition 17 (*Meetings of Noteholders; Modification and Waiver*);

**"Renminbi"** or **"RMB"** means the lawful currency for the time being of the People's Republic of China (the **"PRC"**), which, for these purposes, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Macau Special Administrative Region of the PRC and Taiwan;

**"RMB Currency Events"** means, with respect to any Notes where the Specified Currency is Renminbi, any one of Illiquidity, Non-Transferability and Inconvertibility;

**"RMB Dealer"** means an independent foreign exchange dealer of international repute active in the RMB exchange market in the applicable RMB Settlement Centre(s);

**"RMB Settlement Centre(s)"** means the financial centre(s) specified as such in the applicable Final Terms in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Final Terms, the RMB Settlement Centre shall be deemed to be Hong Kong;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**"Specified Currency"** has the meaning given in the relevant Final Terms;

**"Specified Denomination(s)"** has the meaning given in the relevant Final Terms;

**"Specified Office"** has the meaning given in the Paying Agency Agreement;

**"Specified Period"** has the meaning given in the relevant Final Terms;

**"Spot Rate"** means the spot RMB/Specified Currency exchange rate for the purchase of the Specified Currency with RMB in the over-the-counter RMB exchange market in the applicable RMB Settlement Centre(s) for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (local time at the applicable RMB Settlement Centre(s)) on the Rate Calculation Date, on a deliverable basis by reference to the Relevant Spot Rate Screen Page (Deliverable Basis) (as specified in the relevant Final Terms), or if no such rate is available, on a non-deliverable basis by reference to the Relevant Spot Rate Screen Page (Non-deliverable Basis) (as specified in the relevant Final Terms). If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the RMB non-deliverable exchange market in the applicable RMB Settlement Centre(s) or elsewhere and the RMB/Specified Currency exchange rate in the PRC domestic foreign exchange market;

**"Talon"** means a talon for further Coupons;

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

**"Treaty"** means the Treaty establishing the European Community, as amended; and

**"Zero Coupon Note"** means a Note specified as such in the relevant Final Terms.

(b) **Interpretation:** In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*) or any undertakings given in addition to or in substitution for that Condition pursuant to the Trust Deed, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) or any undertakings given in addition to or in substitution for that Condition pursuant to the Trust Deed and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "**outstanding**" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in this Condition 2 to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "Not Applicable", then such expression is not applicable to the Notes; and
- (viii) any reference to the Paying Agency Agreement or the Trust Deed shall be construed as a reference to the Paying Agency Agreement or the Trust Deed, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

- (a) **Bearer Notes:** Bearer Notes in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) **Title to Bearer Notes:** Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes and Coupons, "**Holder**" means the holder of such Bearer Note or Coupon and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) **Registered Notes:** Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) **Title to Registered Notes:** The Registrar will maintain outside the United Kingdom a register of Holders in accordance with the provisions of the Paying Agency Agreement (the "**Register**"). A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number, which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) **Ownership:** The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or

any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such Holder.

- (f) **Transfers of Registered Notes:** Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred, unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are in Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) **Registration and delivery of Note Certificates:** Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) **No charge:** The transfer of a Registered Note will be effected without charge by or on behalf of the relevant Issuer or the Registrar or any Transfer Agent, but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) **Closed periods:** Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) **Regulations concerning transfers and registration:** All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Paying Agency Agreement. The regulations may be changed by the relevant Obligors with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

#### 4. **Status of the Notes and the GIC Guarantee**

- (a) **Status of the Notes:** The Notes and the Coupons (subject to Condition 5 (*Negative Pledge*)) constitute direct, general and unconditional obligations of GFL which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of GFL, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) **Status of the GIC Guarantee in respect of the Notes:** The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by GFL in respect of the Notes issued by GFL. The GIC Guarantee of such Notes constitutes direct, general and unconditional obligations of the Guarantor, which (subject to the provisions of Condition 5) will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

#### 5. **Negative Pledge**

So long as any Note remains outstanding (as defined in the Trust Deed) the relevant Obligor shall not, and shall procure that none of its Principal Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and ratably therewith to the satisfaction of the Trustee or (b) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

- (a) **Application:** This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes (other than where the Specified Currency is RMB and the applicable Final Terms specify a Business Day Convention to be applicable) bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) or Condition 11 (*Payments – Registered Notes*), as applicable. In the case of a Fixed Rate Note where the Specified Currency is RMB and the applicable Final Terms specifies a Business Day Convention to be applicable (an "**Adjusted RMB Fixed Rate Note**"), each Interest Payment Date (and, accordingly, the relevant Calculation Period) will be adjusted (if required) in accordance with the relevant Business Day Convention. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified and in respect of the Calculation Periods relating to Adjusted RMB Fixed Rate Notes shall be calculated by applying the Rate of Interest to:
- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the principal amount of the Notes represented by such Global Note; or
  - (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount, as so specified in the relevant Final Terms;

and in each case multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (one-half a sub-unit being rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts determined in the manner provided above for each Calculation Amount comprising the Specified Denomination without any further rounding.

7. **Floating Rate Note Provisions**

- (a) **Application:** This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) or Condition 11 (*Payments – Registered Notes*), as applicable. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or as the case may be the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) **Screen Rate Determination:** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate, which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates, which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
    - (B) determine the arithmetic mean of such quotations; and
  - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.
- (d) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone interbank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in

respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to:

- (i) in the case of Floating Rate Notes, which are represented by a Global Note, the principal amount of the Notes represented by such Global Note during such Interest Period; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount during such Interest Period, as so specified in the relevant Final Terms;

and in each case multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (one-half a sub-unit being rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

- (g) **Linear Interpolation:** Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

- (h) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents, the Trustee and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination, but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (i) **Notifications, etc.:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on each relevant Obligor, the Trustee, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (j) **Determination or Calculation by Trustee:** If the Calculation Agent fails at any time to determine a Rate of Interest or to calculate an Interest Amount or any other amount as referred to in Condition 7(i) above, the Trustee will determine such Rate of Interest and make such determination or calculation, which shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply all of the provisions of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and will not be liable for any loss, liability, cost, charge or expense, which may arise as a result thereof. Any such determination or calculation made by the Trustee shall be binding on each relevant Obligor, Noteholder and Couponholder.

## 8. Zero Coupon Note Provisions

- (a) **Application:** This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
- (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

## 9. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) or Condition 11 (*Payments – Registered Notes*), as applicable.
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part:
- (i) at any time (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being not applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than the minimum period and not more than the maximum period of notice specified in the relevant Final Terms to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if the relevant Obligor satisfies the Trustee, immediately prior to the giving of the notice by the relevant Obligor referred to above that (A) it has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) or, in the case of Notes to be issued by GFL, the Guarantor would be unable for reasons outside its control to procure payment by GFL and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of relevant Tax Jurisdiction (as defined below), or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (B) such obligation cannot be avoided by the relevant Issuer (or, as the case may be, the Guarantor) taking reasonable measures available to it, **provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition 9(b), the relevant Issuer shall deliver or procure that there is delivered to the Trustee (1) a certificate signed by two authorised signatories (which shall include at least one director) of GIC (where the relevant Issuer is GIC) or two directors of GFL (where the relevant Issuer is GFL) stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred, and (2) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the relevant Obligor has or will become obliged to pay any such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (A) and (B)

above, in which event they shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 9(b), the relevant Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) **Redemption at the option of the Issuer:** If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the relevant Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the relevant Issuer's giving the number of Business Days' notice specified in the Final Terms (which may not in any event be less than 15 Business Days) to the Noteholders and having notified the Trustee prior to the provision of such notice (which notice shall be irrevocable and shall oblige the relevant Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) *plus* accrued interest (if any) to such date).
- (d) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) **Redemption at the option of Noteholders:** If the Put Option is specified in the relevant Final Terms as being applicable, the relevant Issuer shall, at the option of the Holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, the required number of Business Days (as specified in the relevant Final Terms, and which may not in any event be less than 15 Business Days) before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.
- (f) **No other redemption:** The relevant Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 9(a) to (e) above.
- (g) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) **Purchase:** GFL, GIC and each of their respective subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (i) **Cancellation:** All Notes so redeemed or purchased and any unmatured Coupons attached to or surrendered with them shall be cancelled. All Notes and Coupons so cancelled may not be reissued or resold.

10. **Payments – Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).
- (b) **Interest:** Payments of interest shall, subject to Condition 10(h) (*Payments other than in respect of matured Coupons*), be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 10(a) (*Principal*).
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the relevant Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*); and (ii) notwithstanding the provisions of Condition 12 (*Taxation*), any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment; and
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this subparagraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount

of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 10(a) (*Principal*) against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) **Unmatured Coupons void:** If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*), Condition 9(e) (*Redemption and Purchase – Redemption at the option of Noteholders*), Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) **Payments on business days:** If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10(c) (*Payments in New York City*) above).
- (i) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon, but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.
- (k) **RMB Currency Event:** If "RMB Currency Event" is specified as being applicable in the relevant Final Terms and a RMB Currency Event, as determined by the relevant Obligor acting in good faith and in a commercially reasonable manner, exists on a date for payment of any amount in respect of any Bearer Note or Coupon, the relevant Obligor's obligation to make a payment in RMB under the terms of the Bearer Notes may be replaced by an obligation to pay such amount in the Specified Currency (as specified in the relevant Final Terms) converted using the Spot Rate for the relevant Rate Calculation Date. Upon the occurrence of a RMB Currency Event, the relevant Obligor shall give notice as soon as practicable to the Noteholders in accordance with Condition 20 (*Notices*) stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.
- (l) **RMB Account:** Notwithstanding the foregoing, all payments in respect of any Bearer Note or Coupon in RMB will be made solely by credit to an RMB account maintained by the payee at a bank in the applicable RMB Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in the applicable RMB Settlement Centre(s)).

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 10 (*Payments – Bearer Notes*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on each relevant Obligor, the Agents and all Holders.

## 11. Payments – Registered Notes

This Condition 11 is only applicable to Registered Notes.

- (a) **Principal:** Payments of principal shall be made by cheque drawn in the currency in which the payment is due, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) **Interest:** Payments of interest shall be made by cheque drawn in the currency in which the payment is due, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) **Payments subject to fiscal laws:** All payments in respect of the Registered Notes are subject in all cases to: (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*); and (ii) notwithstanding the provisions of Condition 12 (*Taxation*), any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) **Payments on business days:** Where payment is to be made by transfer to an account, payment instructions (for value on the due date, or, if the due date is not a Payment Business Day, for value on the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.
- (e) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Registered Note, the relevant Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) **Record date:** Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.
- (g) **RMB Currency Event:** If "RMB Currency Event" is specified as being applicable in the relevant Final Terms and a RMB Currency Event, as determined by the relevant Obligor acting in good faith and in a commercially reasonable manner, exists on a date for payment of any amount in respect of any Registered Note, the relevant Obligor's obligation to make a payment in RMB under the terms of the Registered Notes may be replaced by an obligation to pay such amount in the Specified Currency (as specified in the relevant Final Terms) converted using the Spot Rate for the relevant Rate Calculation Date. Upon the occurrence of a RMB Currency Event, the relevant Obligor shall give notice as soon as practicable to the Noteholders in accordance with Condition 20 (*Notices*) stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

- (h) **RMB Account:** Notwithstanding the foregoing, all payments in respect of any Registered Note or Coupon in RMB will be made solely by credit to an RMB account maintained by the payee at a bank in the applicable RMB Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in the applicable RMB Settlement Centre(s)).

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 11 by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on each relevant Obligor, the Agents and all Holders.

## 12. **Taxation**

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the relevant Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the relevant Tax Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction 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 in respect of any Note or Coupon:
- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the relevant Tax Jurisdiction, other than the mere holding of the Note or Coupon; or
  - (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
  - (iii) held by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
  - (iv) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

As used in these Conditions, "**Tax Jurisdiction**" means: (i) in the case of Notes issued by GIC, the State of Kuwait or any political subdivision or any authority thereof having the power to tax; and (ii) in the case of Notes issued by GFL, the Cayman Islands and the State of Kuwait or any political subdivision or any authority thereof having the power to tax.

- (b) **Taxing jurisdiction:** If GFL or GIC becomes subject at any time to any taxing jurisdiction other than: (i) in the case of GFL, the Cayman Islands or any political subdivision or any authority thereof or therein having the power to tax; or (ii) in the case of GIC, the State of Kuwait or any political subdivision or any authority thereof or therein having the power to tax, references in these Conditions to the Cayman Islands or the State of Kuwait shall be construed as references to the Cayman Islands or the State of Kuwait, as applicable, and/or such other jurisdiction.
- (c) **Interpretation:** Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 12 or under any undertakings given in addition to, or in substitution for, this Condition 12 pursuant to the Trust Deed.

## 13. **Events of Default**

If any of the following events occurs ("**Events of Default**"), then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified or provided with security to its

satisfaction) give written notice to the relevant Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) **Non-payment:** the relevant Issuer fails to pay any amount of principal or interest in respect of the Notes within seven days of the due date for payment thereof; or
- (b) **Breach of other obligations:** the relevant Obligor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default remains unremedied for 30 days after the Trustee has given written notice thereof to the relevant Obligor; or
- (c) **Cross-default of GFL, GIC or Principal Subsidiary:**
  - (i) any Indebtedness of any relevant Obligor or any of its Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the relevant Obligor or any of its Principal Subsidiaries, as the case may be, or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
  - (iii) any relevant Obligor or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

**provided that** the amount of Indebtedness referred to in sub-paragraph (i) and/or subparagraph (ii) above and/or the amount payable under any Guarantee referred to in subparagraph (iii) above individually or in the aggregate exceeds U.S.\$10,000,000 (or its equivalent in any other currency or currencies); or

- (d) **Unsatisfied judgment:** one or more judgment(s) or order(s) for the payment of any amount is rendered against any relevant Obligor or any of its Principal Subsidiaries, which is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders, and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) **Security enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial (in the opinion of the Trustee) part of the undertaking, assets and revenues of any relevant Obligor or any of its Principal Subsidiaries; or
- (f) **Insolvency etc:** (i) any relevant Obligor or any of its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of any relevant Obligor or any of its Principal Subsidiaries or the whole or any part of the undertaking, assets and revenues of any relevant Obligor or any of its Principal Subsidiaries is appointed (or application for any such appointment is made), (iii) any relevant Obligor or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) any relevant Obligor or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any substantial (in the opinion of the Trustee) part of its business; or
- (g) **Winding up etc:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of any relevant Obligor or any of its Principal Subsidiaries; or
- (h) **Analogous event:** any event occurs which under the laws of the Cayman Islands (in the case of GFL) or the State of Kuwait (in the case of GIC) has an analogous effect to any of the events referred to in Condition 13(d) (*Unsatisfied judgment*) to (g) (*Winding up etc*) above; or
- (i) **Failure to take action etc:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable any relevant Obligor lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons and the Trust Deed admissible in evidence in the courts of the Cayman Islands (in the case of GFL) or the State of Kuwait (in the case of GIC) is not taken, fulfilled or done; or

- (j) **Unlawfulness:** it is or will become unlawful for any relevant Obligor to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed; or
- (k) **Government intervention:** (i) all or any substantial (in the opinion of the Trustee) part of the undertaking, assets and revenues of any relevant Obligor or any of its Principal Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or governments or (ii) any relevant Obligor or any of its Principal Subsidiaries is prevented by any such person from exercising normal control over all or any substantial (in the opinion of the Trustee) part of its undertaking, assets and revenues; or
- (l) **Controlling shareholders:** there is a change in the current shareholders of any relevant Obligor, or in the proportion of shares of any relevant Obligor held by any shareholder, which is, in the opinion of the Noteholders as expressed by an Extraordinary Resolution, materially prejudicial to the interests of the Noteholders; or
- (m) **GIC Guarantee:** (in the case of Notes issued by GFL) the GIC Guarantee ceases to be, or is claimed by GIC not to be, in full force and effect.

#### 14. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within five years of the appropriate Relevant Date.

#### 15. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent in the case of Bearer Notes, or the Registrar in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the relevant Issuer may reasonably require. Mutilated or defaced Notes, Note Certificate or Coupons must be surrendered before replacements will be issued.

#### 16. **Trustee and Agents**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with GFL and/or GIC and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, GFL and/or GIC, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of Notes or Coupons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Paying Agency Agreement and in connection with the Notes and the Coupons, the Agents and the Calculation Agent act solely as agents of the relevant Issuer or, following the occurrence of an Event of Default (to the extent provided in the Paying Agency Agreement and the Trust Deed), the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. Each relevant Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent or the Calculation Agent and to appoint a successor principal paying agent, registrar or calculation agent and additional paying agents; **provided, however, that**:

- (a) each Issuer shall at all times maintain a Principal Paying Agent and Registrar;
- (b) each Issuer undertakes that it will ensure that it maintains a Paying Agent in an EU member state (if any) that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC;
- (c) if a Calculation Agent is specified in the relevant Final Terms, the relevant Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or Transfer Agent in any particular place, the relevant Issuer shall maintain a Paying Agent and/or Transfer Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents, the Calculation Agent or in their Specified Offices shall promptly be given to the Noteholders.

#### 17. **Meetings of Noteholders; Modification and Waiver**

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the relevant Issuer or the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than five per cent. of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than 66.66 per cent. of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more persons holding or representing not less than 33.33 per cent. of the aggregate principal amount of the outstanding Notes; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to change any security given in respect of the Notes, to reduce the principal amount of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution, and any proposal relating to any other matter which might be prejudicial to the rights of the Noteholders (each, a "**Reserved Matter**") may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than 66.66 per cent. of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification and Waiver:** The Trustee may, without the consent of the Noteholders or Couponholders, agree with each relevant Obligor to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Noteholders or Couponholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby. Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.
- (c) **Substitution:** The Trust Deed contains provisions under which a Principal Subsidiary of GIC may, without the consent of the Noteholders or Couponholders, assume the obligations of the relevant Issuer as principal debtor

or GIC as Guarantor under the Trust Deed and the Notes **provided that** certain conditions specified in the Trust Deed are fulfilled. No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or (as the case may be) Couponholder except to the extent provided for in Condition 12 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

#### 18. **Enforcement**

The Trustee may at any time, at its discretion and without notice, take such proceedings against the relevant Obligor as it may think fit to enforce the provisions of the Trust Deed, the Notes or the Coupons, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified or provided with security to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against any Obligor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure shall be continuing.

#### 19. **Further Issues**

The relevant Issuer is at liberty from time to time without the consent of the relevant Noteholders or Couponholders to create and issue further notes or bonds either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single series with the outstanding notes or bonds of any series (including the Notes) with respect to Notes it has issued and are constituted by the Trust Deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the relevant Issuer may determine at the time of the issue. Any further notes or bonds which are to form a single series with the outstanding notes or bonds of any series (including the Notes) with respect to Notes it has issued and are constituted by the Trust Deed shall, and any other further notes or bonds issued by such Issuer may (with the consent of the Trustee), be constituted by the Trust Deed or by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or bonds or other series in certain circumstances where the Trustee so decides.

#### 20. **Notices**

- (a) **Bearer Notes:** Notices to the Noteholders shall be valid if published in (i) a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if the Notes are listed on the official list of the Irish Stock Exchange and the rules of that exchange so require, a leading newspaper having general circulation in the Republic of Ireland (which is expected to be the *Irish Times*) or the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)), or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe, or (ii) if GIC is the Issuer, two local, daily, Arabic newspapers having general circulation in the State of Kuwait and on GIC's electronic website (if available) provided that any notice of a Noteholders' constituent meeting shall also be published in *Al-Kuwait Al-Youm*, the official gazette of the State of Kuwait, in accordance with the applicable laws and regulations of the State of Kuwait. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) **Registered Notes:** Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on the Irish Stock Exchange and it is a requirement of applicable law or regulations, notices to Noteholders will be published on the date of such mailing in (i) a leading newspaper having general circulation in the Republic of Ireland (which is expected to be *Irish Times*) or published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)), or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe, or (ii) if GIC is the Issuer, two local, daily, Arabic newspapers having general circulation in the State of Kuwait and on GIC's electronic website (if available) provided that any notice of a Noteholders' constituent meeting shall also be published in *Al-Kuwait Al-Youm*, the official gazette of the State of Kuwait, in accordance with the applicable laws and regulations of the State of Kuwait. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all JPY amounts used in or resulting from such calculations will be rounded downwards to the next lower whole JPY amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law, Jurisdiction and Dispute Resolution**

- (a) **Governing law:** The Notes, the Coupons and the Trust Deed and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Arbitration:** Subject to Condition 22(c) (*Trustee's option*), any dispute arising out of or in connection with the Notes or the Trust Deed (including a dispute regarding their existence, validity or termination or the consequences of their nullity or any non-contractual obligation arising out of or in connection with them) (a "**Dispute**") shall (regardless of the nature of the Dispute) be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration ("**LCIA**") (the "**Rules**"), as amended from time to time and by the rest of this Condition:
- (i) The arbitral tribunal shall consist of three arbitrators.
  - (ii) Within 15 days from receipt by the registrar of the LCIA of the response to the request for arbitration, the claimant(s) – irrespective of their number – shall nominate jointly one arbitrator and the respondent(s) – irrespective of their number – shall nominate jointly the second arbitrator. The chairman of the arbitral tribunal shall be nominated by the two party nominated arbitrators within 15 days of the last of their appointments.
  - (iii) In the event that the claimant(s) or the respondent(s) fail to nominate an arbitrator or the party nominated arbitrators fail to agree, the chairman of the arbitral tribunal within the time limits specified in this Condition, the LCIA court shall, at the written request of the claimant(s) or the respondent(s), make such appointment forthwith.
  - (iv) The seat of the arbitration shall be London, England and all hearings shall take place in London, England.
  - (v) The language of the arbitration shall be English.
  - (vi) The parties waive any right of application to determine a preliminary point of law under section 45 and to appeal on a question of law under section 69 of the Arbitration Act 1996.
  - (vii) Upon request by a party to a Dispute or any party to the Notes or the Trust Deed which itself wishes to be joined to any reference to arbitration proceedings in relation to a Dispute, the arbitral tribunal may join any party to the Notes or the Trust Deed to any reference to arbitration proceedings in relation to that Dispute between them. Each of the parties to the Notes hereby consents to be joined to any reference to arbitration proceedings in relation to any Dispute at the request of a party to that Dispute, and to accept the joinder of a party requesting to be joined pursuant to this Condition 22(b)(vii).
- (c) **Trustee's option:** Before the Trustee has filed a Request for arbitration or Response as defined in the Rules (as the case may be), the Trustee may by notice in writing to the relevant Obligor require that a Dispute between it and the relevant Obligor be heard by a court of law. If the Trustee gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 22(d) (*Jurisdiction of the English courts*).
- (d) **Jurisdiction of the English courts:** In the event that the Trustee issues a notice pursuant to Condition 22(c) (*Trustee's option*), the following provisions shall apply:
- (i) Subject to Condition 22(b) (*Arbitration*), the courts of England shall have exclusive jurisdiction to settle any Dispute.

- (ii) Each Obligor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (iii) This Condition 22(d) is for the benefit of the Noteholders and the Trustee only. As a result, and notwithstanding Condition 22(d)(i) above, the Trustee may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee may take concurrent Proceedings in any number of jurisdictions.
- (e) **Process agent:** Each Obligor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Capita Trust Secretaries Limited, Capita Fiduciary Group, 4th Floor, 40 Dukes Place, London EC3A 7NH, United Kingdom or, if different, its registered office for the time being or at any address of the relevant Obligor in Great Britain at which process may be served on it in accordance with Part 34 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the relevant Obligor, the relevant Obligor shall, on the written demand of the Trustee addressed to the relevant Obligor and delivered to the relevant Obligor appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice addressed to the relevant Obligor and delivered to the relevant Obligor. Nothing in this paragraph shall affect the right of the Trustee to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.
- (f) **Consent to enforcement etc:** Each Obligor consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

#### 23. **Waiver of immunity**

To the extent that the relevant Obligor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the relevant Obligor, or its assets or revenues, the relevant Obligor agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

#### 24. **Rights of Third Parties**

No person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

Final Terms dated [•]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

by

[Gulf Investment Corporation G.S.C.]/ [GIC Funding Limited]

[Guaranteed by Gulf Investment Corporation G.S.C.] under the

**U.S.\$2,500,000,000**

**Euro Medium Term Note Programme**

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 6 November 2014 [and the Supplement[s] to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State) (the "**Prospectus Directive**"). This document constitutes the Final Terms relating to the issue of Notes described herein [for the purposes of Article 5(4) of the Prospectus Directive]\* and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer [, the Guarantor] and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [as so supplemented][and these Final Terms]\* [is/are] available for viewing at [address] and copies will be published on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 4 October 2012, which are incorporated by reference in the Base Prospectus dated 6 November 2014. This document constitutes the Final Terms relating to the issue of Notes described herein [for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Relevant Member State) (the "**Prospectus Directive**")]\* and must be read in conjunction with the Base Prospectus dated 6 November 2014 [and the supplement[s] to the Base Prospectus dated [•] [and [•]]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. Full information on the Issuer [, the Guarantor] and the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 6 November 2014 [, as so supplemented]. The Base Prospectus [as so supplemented][and these Final Terms]\* [is/are] available for viewing at [address] and copies will be published on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).]

1. Guarantor: [Not Applicable]/[Gulf Investment Corporation G.S.C.]
2. (i) Series Number: [•]  
(ii) Tranche Number: [•]  
(iii) Date on which the Notes become fungible: [•]/Not Applicable
3. Specified Currency: [•]
4. Aggregate Nominal Amount of Notes:  
(i) [Series:] [•]

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\* To be included only if the Notes are to be admitted to listing on the official list, and to trading on the regulated market, of the Irish Stock Exchange or other regulated market for the purposes of the Prospectus Directive.

- [(ii) Tranche: [•]]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]*]
6. (i) Specified Denominations: [•]  
(ii) Calculation Amount: [•]
7. (i) Issue Date: [•]  
(ii) Interest Commencement Date: [[•]/*Issue Date/Not Applicable*]
8. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[•] per cent. Fixed Rate]  
[[•] +/- [•] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified below in paragraph [[14]/[15]/[16]])
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11. Put Option (Investor Put) /  
Call Option (Issuer Call): [Put Option]  
[Call Option]  
[Not Applicable]
12. Date Board approval for issuance of Notes obtained: [•]
13. Method of distribution: [Syndicated/Non-syndicated]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions: [Applicable/Not Applicable]*[If not applicable, delete the remaining sub-paragraphs of this paragraph.]*
- (i) Rate[(s)] of Interest: [•] per cent, per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•]/[and [•]] in each year up to and including the Maturity Date
- (iii) First Interest Payment Date: [•]
- (iv) Fixed Coupon Amount[(s)]: [[•] per Calculation Amount]/[Not Applicable]
- (v) Broken Amount(s): [•] per Calculation Amount payable on the Interest Payment Date Falling [in/on][•]/[Not Applicable]
- (vi) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/365] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
- (vii) [Interest Determination Dates: [•] in each year/Not Applicable]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]

15. Floating Rate Note Provisions: [Applicable/Not Applicable][If not applicable, delete the remaining sub-paragraphs of this paragraph.]
- (i) Interest Period(s): [•]
  - (ii) Specified Period: [•]/[Not Applicable]
  - (iii) Specified Interest Payment Dates: [•]/[Not Applicable]
  - (iv) First Interest Payment Date: [•]
  - (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
  - (vi) Additional Business Centre(s): [Not Applicable/[•]]
  - (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
  - (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): [[Name] shall be the Calculation Agent]
  - (ix) Screen rate Determination:
    - Reference Rate: [EURIBOR]/[LIBOR]
    - Interest Determination Date(s): [•]
    - Relevant Screen Page: [•]
    - Relevant Time: [•]
    - Relevant Financial Centre: [•]
  - (x) ISDA Determination:
    - Floating Rate Option: [•]
    - Designated Maturity: [•]
    - Reset Date: [•]
  - (xi) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
  - (xii) Margin(s): [+/-][•] per cent. per annum
  - (xiii) Minimum Rate of Interest: [•] per cent. per annum
  - (xiv) Maximum Rate of Interest: [•] per cent. per annum
  - (xv) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]

16. Zero Coupon Note Provisions: [Applicable/Not Applicable][*If not applicable, delete the remaining sub-paragraphs of this paragraph.*]
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]

## PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 9(b):
- (i) Minimum period: [•] day(s)
- (ii) Maximum period: [•] day(s)
18. Call Option: [Applicable/Not Applicable][*If not applicable, delete the remaining sub-paragraphs of this paragraph.*]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s): [•] per Calculation Amount
- (iii) If redeemable in part: [•]
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice periods: [•]
- (a) Minimum period: [•] day(s)
- (b) Maximum period: [•] day(s)
19. Put Option: [Applicable/Not Applicable][*If not applicable, delete the remaining sub-paragraphs of this paragraph.*]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s): [•] per Calculation Amount
- (iii) Notice periods:
- (a) Minimum period: [•] day(s)
- (b) Maximum period: [•] day(s)
20. Final Redemption Amount of each Note: 100 per cent. of their nominal amount
21. Early Redemption Amount:
- Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required): [•] per Calculation Amount

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: [Bearer Notes:
- [Temporary Global Note exchangeable for Definitive Notes on 30 days' notice]

[Temporary Global Notes exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 30 days' notice/at any time/ in the limited circumstances specified in the Permanent Global Note]

[Permanent Global Note exchangeable for Definitive Notes on 30 days' notice/at any time/ in the limited circumstances specified in the Permanent Global Note]]

[Registered Notes:

Global Registered Note Certificate exchangeable for Individual Note Certificates on [•] days' notice/at any time/ in the limited circumstances specified in the Global Registered Note Certificate. The Registrar will maintain the register.]

[Individual Note Certificates]

- |  |   |
|--|---|
| 23. Additional Financial Centre(s) or other special provisions relating to payment dates:  | [Not Applicable]/[•]  |
| 24. Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature): | [Yes/No]  |
| 25. RMB Settlement Centre(s):  | [•]/[Not Applicable]  |
| 26. RMB Currency Event:  | [Applicable]/[Not Applicable]   |
| 27. Specified Currency for Condition [10(k)]/[11(g)]:  | [•]/[Not Applicable]  |
| 28. Relevant Spot Rate Screen Pages for Condition [10(k)]/[11(g)]:   | (i) Relevant Spot Rate Screen Page (Deliverable Basis); [•]/[Not Applicable]<br><br>(ii) Relevant Spot Rate Screen Page (Non-deliverable Basis); [•]/[Not Applicable] |
| 29. Party responsible for calculating the Spot Rate for Condition [10(k)]/[11(g)]:   | [[•] (the " <b>Calculation Agent</b> ")]/[Not Applicable]   |

**[Signed on behalf of GIC Funding Limited:**

By: .....  
Duly authorised]

**[Signed on behalf of Gulf Investment Corporation G.S.C.:**

By: .....  
Duly authorised]

## PART B – OTHER INFORMATION

### 1. ADMISSION TO LISTING AND TRADING

- (i) Admission to listing: [Application has been made by the Issuer or on its behalf for the Notes to be admitted to listing on [the Official List of the Irish Stock Exchange]]/[Not Applicable]
- (ii) Admission to trading: [Application has been made by the Issuer or on its behalf for the Notes to be admitted to trading on [the Irish Stock Exchange's Main Securities Market] with effect from [•]]/[Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [•]

### 2. RATINGS

Ratings: [Not Applicable][The Notes to be issued have been rated:  
[Moody's Investors Services Limited: [•]]]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

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

### 4. TEFRA Rules [TEFRA D/TEFRA C/TEFRA not applicable]

### 5. OPERATIONAL INFORMATION

ISIN: [•]

Common Code: [•]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):

[Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s):

Banque Internationale à Luxembourg, S.A.  
[•][Not Applicable]

Names and addresses of additional Paying Agent(s):

[•][Not Applicable]

### 6. THIRD PARTY INFORMATION

[ [ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Notes will be applied by GIC to meet part of its general financing requirements. If, in respect of any particular issue of a Tranche of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary.

In relation to any Tranche of Notes represented by a Global Registered Note Certificate, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the person in whose name such Global Registered Note Certificate is for the time being registered in the Register which, for so long as the Global Registered Note Certificate is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or Global Registered Note Certificate (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Obligor to the holder of such Global Note or Global Registered Note Certificate and in relation to all other rights arising under such Global Note or Global Registered Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by Global Note or Global Registered Note Certificate, Accountholders shall have no claim directly against the relevant Obligor in respect of payments due under the Notes and such obligations of the relevant Obligor will be discharged by payment to the holder of such Global Note or Global Registered Note Certificate.

### Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

### Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

## Exchange of Global Registered Note Certificates

Whenever a Global Registered Note Certificate is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note Certificate within five business days of the delivery, by or on behalf of the holder of the Global Registered Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Paying Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

## Registered Notes - Record Date

Notwithstanding Condition 11(f) (*Payments – Registered Notes – Record Date*), each payment in respect of a Global Registered Note Certificate shall be made to the person shown in the Register as the registered holder of the Notes represented by such Global Registered Note Certificate at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where the "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note Certificate is being held is open for business.

## Conditions applicable to Global Notes and Global Registered Note Certificates

Each Global Note and Global Registered Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note Certificates. The following is a summary of certain of those provisions:

**Payments:** All payments in respect of the Global Note or Global Registered Note Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note Certificate at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that the same is noted in a schedule thereto. Further, for the purposes of any payments made in respect of the Global Note or Global Registered Note Certificate and Condition 10(g) (*Payments – Bearer Notes – Payments on business days*) or Condition 10(g) (*Payments – Bearer Notes – Payments on business days*) or Condition 11(d) (*Payments – Registered Notes – Payments on business days*), as applicable, the relevant place of presentation shall be disregarded in the definition of Payment Business Day as set out in Condition 2(a) (*Interpretation – Definitions*).

**Payment Business Day:** (a) If the currency of payment is euro, any day which is: (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; (b) if the currency of payment is not euro or Renminbi, any day which is: (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre; or (c) if the currency of payment is Renminbi, a day on which Hong Kong settles Renminbi payments.

**Exercise of put option:** In order to exercise the option contained in Condition 9(e) (*Redemption and Purchase – Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

**Partial exercise of call option:** In connection with an exercise of the option contained in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) in relation to only some of the Notes, the Permanent Global Note or Global Registered Note Certificate may be redeemed in part in the principal amount specified by the relevant

Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions.

**Notices:** Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note Certificate and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) or the Global Registered Note Certificate is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system; **provided, however, that**, so long as Notes are listed on the official list of the Irish Stock Exchange and its rules so require, notices will also be published in a leading newspaper having general circulation in the Republic of Ireland (which is expected to be the *Irish Times*) or published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and further **provided that** notices shall also be published in *Al-Kuwait Al-Youm*, the official gazette of the State of Kuwait, and/or daily newspapers) having general circulation in the State of Kuwait in accordance with the laws of the State of Kuwait.

## DESCRIPTION OF GFL

### General

GFL was incorporated in the Cayman Islands as an exempted limited liability company on 5 September 2012 under the Companies Law (2011 Revision) of the Cayman Islands, registered in the Cayman Islands with registration number 271470. Its registered office is c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the telephone number of the registered office is +1 345 949 8066.

The authorised share capital of GFL is U.S.\$50,000 divided into 50,000 ordinary shares with a par value of U.S.\$1.00 each. The issued share capital of GFL is 1 share, which is fully paid and held by GIC. GFL has no subsidiaries.

### Business of GFL

GFL has a limited operating history and prior business relating to the issuance of two series of Notes under the Programme in November 2012 and other activities incidental thereto. Since the date of its incorporation GFL's only activity has been the issuance of (i) CHF 300,000,000 2.75 per cent. Notes due 2015 (listed on the SIX Swiss Exchange), and (ii) USD 500,000,000 3.250 per cent. Notes due 2017 (listed on the Luxembourg Stock Exchange) (the "**GFL Notes**"). Other than the GFL Notes (which have the benefit of the GIC Guarantee), GFL has no other liabilities and its total assets amount to U.S.\$1.00 of paid-up share capital.

The objects of GFL, as referred to in its Memorandum of Association (as registered or adopted on 5 September 2012), are unrestricted. GFL will not engage in any business activity other than the issuance of Notes under this Programme and other borrowing programmes established from time to time by GIC, the issuance of shares in its capital and other activities incidental or related to the foregoing. As at the date of this Base Prospectus, two series of Notes have been issued by GFL under the Programme and no other borrowing programme has been established by GFL.

### Financial Statements

Since the date of its incorporation, no financial statements of GFL have been prepared.

### Directors of GFL

*The board of directors of GFL and their principal occupations are as follows:*

Director	Principal Occupation	Business Address
Dr. Russell Read	Deputy CEO and Chief Investment Officer at GIC	c/o Gulf Investment Corporation G.S.C., P.O. Box 3402 Safat 13035, Jaber Al-Mubarak Street, Sharq, Kuwait
Mr. Martin Joy	Head of Treasury at GIC	c/o Gulf Investment Corporation G.S.C., P.O. Box 3402 Safat 13035, Jaber Al-Mubarak Street, Sharq, Kuwait

The business address of each member of the board of directors is c/o Gulf Investment Corporation G.S.C., P.O. Box 3402 Safat 13035, Jaber Al-Mubarak Street, Sharq, Kuwait.

No member of the board of directors has any actual or potential conflict of interest between his duties to GFL and his private interests and/or other duties.

GFL has no employees and is not expected to have any employees in the future.

## DESCRIPTION OF GIC

### OVERVIEW

Gulf Investment Corporation G.S.C. ("**GIC**") is a regional financial institution based in Kuwait having total assets of U.S.\$5,374 million (with total consolidated assets of U.S.\$5,505 million) as at 30 June 2014. It was established under the auspices of the Gulf Co-operation Council (the "**GCC**") and is wholly owned by the six states of the GCC, being the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Sultanate of Oman, the State of Qatar and the State of Kuwait (the "**Shareholder States**"). The objective of GIC is to provide a comprehensive range of financial services that support the development of private enterprise and economic growth in the Gulf region.

GIC was incorporated on 15 November 1983 for an unlimited duration in the State of Kuwait as a gulf shareholding company and allocated Kuwaiti commercial registration number 37885.

GIC is registered as an investment company with the Central Bank of Kuwait (the "**CBK**") and as such is subject to regulation by the CBK and is generally subject to the provisions of Kuwaiti law. GIC is also generally subject to regulation by the CBK in respect of credit and financing activities. As a result of regulatory changes introduced in Kuwait, Kuwaiti investment companies engaged in "Securities Activities" other than for their own account require a licence from a new body, the Kuwaiti Capital Markets Authority (the "**CMA**") which has been established pursuant to the Kuwait Capital Markets Law and the bylaws thereto (the "**CML**"). GIC has exited from, and is in the final wind down phase of, its asset management business serving third party clients (the "**Third Party Asset Management Business**"). Once such wind down is complete, GIC will not be engaged in any "Securities Activities" under the CML as it will only be dealing in investments for its own account (i.e., proprietary book activities), which does not require a license from the CMA, and as such GIC will no longer be regulated by the CMA.

Moody's Investors Service Singapore Pte. Ltd. has assigned a long term issuer rating of A2 (stable outlook) and a short term issuer rating of P-1 to GIC. Fitch Ratings Limited has assigned a long term issuer default rating of A- (stable outlook) and a short term issuer default rating of F1 to GIC. GIC has its registered office at P.O. Box 3402, Safat 13035, Jaber Al-Mubarak Street, Sharq, Kuwait. Its general telephone number is +965 2222 5000.

### SHARE CAPITAL

#### Authorised, Issued and Paid Up Capital

As at 30 June 2014, the authorised, issued and paid up share capital of GIC was U.S.\$2,100 million, consisting of 2.1 million ordinary shares of U.S.\$1,000 each. GIC's share capital is allocated equally among the Shareholder States and each Shareholder State has equal voting and dividend rights.

#### Regulatory Capital

The Basel Committee on Banking Supervision has introduced a revised capital adequacy framework which GIC has implemented and in accordance with which it has been reporting for the past three years. The revised capital adequacy framework promotes the adoption of stronger risk management practices, and more risk sensitive capital requirements that are conceptually sound and at the same time pay due regard to particular features of the present supervisory and accounting systems in individual member countries. Under the Basel II Accord ("**Basel II**"), both GIC's Total and Tier 1 capital ratios were 36.0 per cent. as at 31 December 2013, increasing to 43.6 per cent. as at 30 June 2014. The structured standardised approach was used to calculate the capital requirement to cover credit and operational risks. The market risk capital cover calculation, on the other hand, employed the Market Value at Risk ("**VaR**") concept based approach. Going forward, GIC aims to achieve convergence of regulatory capital with economic capital as it adopts the "advanced" measurements for capital adequacy described in the Basel II architecture.

Further revisions to the capital adequacy framework are proposed under the Basel III Accord ("**Basel III**"). GIC has undertaken some preliminary analysis of the impact of Basel III (as currently drafted) on its business.

GIC's capital adequacy ratios are above the minimum requirements of the CBK. Although GIC reports its capital adequacy ratios to the CBK for statistical purposes, not all of those ratios apply to GIC due to its legal status.

#### Position in respect of the Shareholder States

Pursuant to GIC's Agreement of Incorporation and Articles of Association, which are signed by all of the Shareholder States, GIC is immune from nationalisation in all of the Shareholder States, is not subject to any restrictions linked to currency controls imposed by any of the Shareholder States and its funds, profits and financial transactions are exempt from taxation in all of the Shareholder States.

In August 1990, GIC relocated to Bahrain at the time of the first Gulf War and was granted a Bahraini Banking License immediately upon relocation. As a consequence, GIC was not subjected to the United Nations mandated freeze on Kuwaiti assets which followed Iraq's invasion of Kuwait. In addition, the United States Treasury and the Bank of England exempted its assets from the freeze, enabling GIC to continue operating. At the same time, certain financial authorities in the Shareholder States provided GIC with funds on deposit. Article 10 of GIC's Articles of Association specifically addresses the issue of the continuation of its relationship with the Shareholder States. Notwithstanding the provision permitting a transfer by any Shareholder State of up to 49 per cent. of its total shares to its own nationals, the Shareholder State shall continue to retain all shareholder rights (including rights to dividends) and obligations arising from the shares so transferred to its nationals.

## REGULATION

As outlined above under "*Description of GIC – Overview*", GIC is currently subject to regulation by the CMA and the CBK. However, as GIC is not a domestic bank, the CBK is not officially its lender of last resort. Once GIC has completed the wind down of its Third Party Asset Management Business, it will not require a licence from the CMA and as such will no longer be regulated by the CMA.

## OPERATING ENVIRONMENT

GIC is a GCC-based institution and is exposed to the risks prevailing in the Gulf region. However, being a pan-GCC institution with the six GCC states as shareholders, the specific risks associated with any one GCC country are mitigated to some extent. Moreover, GIC's Articles of Association stipulate several immunities and exemptions, which insulate it from nationalisation, taxation and other country-specific regulatory constraints (see sub-section entitled "*Position in respect of the Shareholder States*" above).

GIC assets are diversified geographically. As at 30 June 2014, 75.2 per cent. of its total assets were in GCC countries, while 13.5 per cent. were in North America, 8.3 per cent. were in Europe and 3.1 per cent. were in Asia. Within GIC's GCC asset portfolio, a substantial portion of the assets relates to GCC sovereign risk, and GIC's remaining non-sovereign exposures are diversified in terms of industry and sectors. GIC's Principal Investing project portfolio is well diversified geographically within the GCC region, with its investment in projects broadly as follows as at 30 June 2014: Saudi Arabia – 50.2 per cent., Bahrain – 29.9 per cent., the United Arab Emirates – 12.8 per cent. and Qatar, Oman and Kuwait (together) – 7.1 per cent.

GIC to a large extent mitigates the risk of operating within Kuwait through use of established and tested back-up systems and business continuity plans. Through the use of technology, GIC has the capability to conduct critical day-to-day operations from Bahrain and even outside the GCC region. In particular, all critical systems at GIC's head-office have on-site back-ups. In the event that those systems fail, GIC has further back-up systems available at disaster recovery sites located in Bahrain and outside the GCC (each of which provide access to critical information technology systems).

## SUBSIDIARIES, ASSOCIATE COMPANIES AND EQUITY PARTICIPATIONS

GIC is a corporate entity and invests in projects through equity investments in various entities. The list below sets out GIC's holdings in such entities under the projects and equity participation portfolio as at 30 June 2014.

	Country	Initial investment	Carrying value net of provision as at 30 June 2014 <sup>(1)</sup>	Provision <sup>(1)</sup>	Board representation
(U.S.\$ millions)					
<b>Principal Subsidiaries – GIC ownership of more than 50 per cent.</b>					
InvesTel Holdings W.L.L. ....	Bahrain	2004	147.27	—	Yes
G.I. Corporation General Trading & Contracting Co.W.L.L. ....	Kuwait	2007	0.89	—	Yes
Gulf Electronic Tawasul Company K.S.C. (Closed) .....	Kuwait	2005	7.94	—	Yes
Gulf Paramount for Electrical Services Co W.L.L. ....	Kuwait	2003	(0.85)	8.80	Yes
GIC Technologies Co.W.L.L. ....	Kuwait	2004	—	1.25	Yes
Gulf Jyoti International .....	U.A.E.	2005	19.34	—	Yes
Bituminous Products Company Limited (Bitumat) .....	Saudi Arabia	1996	108.21	—	Yes
Crown Paper Mill Ltd. FZC .....	U.A.E.	2005	22.00	—	Yes

	Country	Initial investment	Carrying value net of provision as at 30 June 2014 <sup>(1)</sup>	Provision <sup>(1)</sup>	Board representation
			(U.S.\$ millions)		
<b>Sub Total</b> .....			<b>304.80</b>	<b>10.05</b>	
<b>Associate Companies (Direct) – GIC ownership 20 to 50 per cent.</b>					
Foulath Holding Company B.S.C. (C) .....	Bahrain	2009	409.66	22.57	Yes
Al Ezzel Power Company B.S.C.(C) .....	Bahrain	2004	28.47	—	Yes
Bahrain Industrial Pharmaceutical Co. W.L.L. ....	Bahrain	1988	—	0.72	Yes
Celtex Weaving Mills B.S.C. (C) .....	Bahrain	2000	—	0.78	Yes
Al Dur Power and Water Company B.S.C.(C) .....	Bahrain	2007	85.21	—	Yes
The National Titanium Dioxide Co. Ltd. (CRISTAL) .....	Saudi Arabia	1988	641.85	—	Yes
Jeddah Cable Company Ltd & Energy Group .....	Saudi Arabia	2005	50.40	8.15	Yes
Shuqaiq International Water & Electricity Company .....	Saudi Arabia	2007	—	—	Yes
SGA Marafiq Holding WLL .....	Bahrain	2007	45.29	—	Yes
Technical Supplies & Services Group .....	U.A.E.	2004	26.40	—	Yes
Interplast Company Limited (L.L.C.) .....	U.A.E.	1995	49.59	—	Yes
Rawabi Emirates (PJSC) .....	U.A.E.	1988	23.77	—	Yes
Gulf Re-Holdings Ltd. ....	U.A.E.	2008	104.63	—	Yes
Oman Investment Corporation SAOC .....	Oman	2005	36.41	—	Yes
A'Saffa Foods Co. SAOG .....	Oman	2000	14.84	—	Yes
The Dubai Wellness Center Limited.....	UAE	2007	14.56	6.5	Yes
Saudi Mechanical Industries.....	Saudi Arabia	2012	40.42	—	Yes
<b>Sub Total</b> .....			<b>1,571.50</b>	<b>38.72</b>	
<b>Unquoted - Equity Participations – GIC ownership less than 20 per cent.</b>					
Rasameel Structured Finance Co. K.S.C. (C) .....	Kuwait	2005	6.18	5.00	Yes
Gulf Aluminium Rolling Mill Co. B.S.C.(C) .....	Bahrain	1988	6.05	—	Yes
Securities and Investment Company (SICO) B.S.C.(C) .....	Bahrain	1995	5.66	—	Yes
Arabian Industrial Fibers Company (IBN RUSHD) .....	Saudi Arabia	1995	0.05	46.80	No
Ras Laffan Power Company Limited (Q.S.C.) .....	Qatar	2001	13.63	—	Yes
Tatweer Infrastructure Company (Q.P.S.C.) .....	Qatar	2006	0.25	18.5	No
Thuraya Satellite Telecommunications Company P.J.S.C. ..	U.A.E.	1997	0.02	14.28	No
Gulf Bridge International Inc. ....	Qatar	2010	38.29	9.11	Yes
TMK Gulf International Pipe Industry L.L.C. ....	Oman	2007	9.31	—	Yes
Mobility Telecommunications International Holding Ltd. ....	U.A.E.	2013	52.15	—	Yes
NoCo A.LP (Holding through GIC Financial Services Ltd.) .....	U.S.A.	2006	20.00	—	No
<b>Sub Total</b> .....			<b>151.59</b>	<b>93.69</b>	
<b>Quoted - Equity Participations – GIC ownership less than 20 per cent.</b>					
KGL Logistics Company K.S.C. (C) .....	Kuwait	2006	24.64	—	No
National Industrialization Co. (NIC) (Tasnee) .....	Saudi Arabia	2000	380.43	94.28	Yes
United Power Company SAOG .....	Oman	1994	0.66	—	No
<b>Sub Total</b> .....			<b>405.73</b>	<b>94.28</b>	
<b>Total investment in projects</b> .....			<b>2,433.62</b>	<b>236.74</b>	

Note:

(1) The financial information set out in this column has been extracted from unaudited management data.

The table below shows the goodwill, included in the carrying value net of provision, related to projects and equity participations as at 30 June 2014:

	Country	Goodwill <sup>(1)</sup> (U.S.\$ millions)
The National Titanium Dioxide Co. Ltd. (CRISTAL) .....	Saudi Arabia	1.46
Interplast Company Limited – (L.L.C.) .....	U.A.E.	0.97
Gulf United Steel Holding Company B.S.C. - (C) .....	Bahrain	22.57
Technical Supplies & Services Group .....	U.A.E.	5.41
Jeddah Cable Company & Energy Group .....	Saudi Arabia	8.15
Crown Paper Mill Ltd. FZC .....	U.A.E.	0.17
Saudi Mechanical Industries .....	Saudi Arabia	20.94
Gulf Electronic Tawasul Company KSC (C) .....	Kuwait	0.91
<b>Total</b> .....		<b>60.58</b>

Note:

(1) The financial information set out in this column has been extracted from unaudited management data.

## BUSINESS

GIC's corporate mission is to contribute to economic development in the GCC region through private sector investment and expansion of the capital markets. It operates on a commercial basis and works towards achieving a reasonable level of profitability consistent with conservative risk parameters defined by GIC's board of directors (the "**Board of Directors**"). GIC engages in two main businesses: principal investing and global markets.

### Principal Investing

Making equity investments is a core business for GIC. GIC has direct equity holdings that arise from subscribing to initial capital in start-up companies and from investments in existing companies in the Gulf region. As at 30 June 2014, the total aggregate amount of these investments stood at U.S.\$2,433.6 million. GIC's investment strategy is based on a medium to long-term investment horizon. The targeted internal rate of return of such investments varies with the risk profile of the investment but is, at the date of this Base Prospectus, on average approximately 11 per cent. over the duration of the investment. While negative or low returns can be expected in the start-up years, the balance over the remaining investment horizon is expected to meet or exceed the target rate of return. As part of the monitoring process for any investment, the actual performance of such investment is regularly assessed against its expected performance.

GIC applies stringent investment criteria and invests strictly in commercial enterprises.

### Investment Process

#### Potential Acquisition Targets

The Principal Investing Group (the "**PI Group**") reviews potential acquisition targets on an ongoing basis. These are typically companies that are currently operating in the Gulf region which require further capital for expansion purposes or whose owners are looking to recover some or part of their capital investment. Once a potential target shows interest in releasing equity, the PI Group will carry out a preliminary review and seek "in-principle" approval from the Principal Investment Committee (see "*Management and Employees – Board Committees*" below) to conduct a detailed review of the potential target.

The PI Group is organised on the basis of industry/sector teams. After receiving in-principle approval, the relevant division in the PI Group arranges for further due diligence to be carried out. Third party technical and legal consultants may be retained for certain parts of the due diligence exercise. Depending on the circumstances of each potential target, financial due diligence is conducted either internally by GIC personnel or with the assistance of external accountants or consultants. Depending on the size of the investment, recommendations may also be made with respect to the level of participation in the board of directors of the potential target, the planned duration of the holding and exit options.

Following the due diligence and valuation process, the relevant team in the PI Group may return to the Principal Investment Committee for final approval.

Depending on the size of the investment, further approvals may be required from the Executive Committee (see "*Management and Employees – Executive Committee*") or the Board of Directors.

### ***New Projects***

The approval process with respect to new projects is largely similar to the process relating to equity investments in existing companies described above and involves a preliminary approval by the Principal Investment Committee.

Exceptions to the requirement to obtain preliminary approval from the Principal Investment Committee typically relate to issues with respect to project size and/or a bidding process where GIC would be developing the project or bidding for it in cooperation with other institution(s) that could involve a financial participant, but always includes a technical partner. In these cases, in-principle approval is obtained from the Executive Committee or the Board of Directors before engaging the time and costs involved in the detailed evaluation and/or bidding work.

As is common with financial participants in projects, GIC tends to use qualified external consultants for technical aspects of the project.

### ***Follow up and Monitoring***

Once an investment has been approved and completed, GIC receives periodical financial reports on the investment, and, where GIC has board representation in the relevant target company, ongoing reports from such board representative. The Principal Investment Committee has meetings dedicated to follow up on portfolio companies. Summary information is reported to the Executive Committee on a quarterly basis. Annual budget projections are provided to GIC Financial Control and form part of the budget process.

### ***Policy on Exit Strategies***

The capital markets in the Gulf provide exit opportunities for portfolio investments in projects through trade sales or initial public offerings. Once investments in projects and acquisitions turn cash positive, GIC expects to receive reasonably sized dividend payouts to provide a cash return while considering suitable exit opportunities.

### **Global Markets**

The Global Markets line of business manages GIC's proprietary assets. It also encompasses the GIC Corporate Treasury Unit. A portfolio of debt instruments is managed internally and is composed mainly of holdings of international investment grade securities as well as securities of GCC sovereign and corporate issuers. Based on management data, as at 30 June 2014, GIC's total debt investments portfolio amounted to U.S.\$1,514 million, representing 28.2 per cent. of total assets. As at 30 June 2014, GIC's debt investments portfolio included interest bearing securities and funds comprised of debt securities amounting to U.S.\$1,242 million, structured products amounting to U.S.\$102.0 million, money market and bond funds amounting to U.S.\$149 million and bonds classified as fair value through income statement amounting to U.S.\$21 million. As at 30 June 2014, debt securities includes investments in international bonds amounting to U.S.\$326 million, investments in GCC securities amounting to U.S.\$867 million and high yield and emerging market bonds amounting to U.S.\$49 million. GIC has invested in a portfolio of externally and internally managed bond funds. The following table sets out the value of this investment as at 30 June 2014, 31 December 2013 and 31 December 2012 respectively:

	<b>As at 30 June 2014<sup>(1)</sup></b>	<b>As at 31 December 2013</b>	<b>As at 31 December 2012</b>
	<i>(in millions of U.S.\$)</i>		
Money market enhanced liquidity funds .....	1	1	3
Bond funds .....	148	156	154
<b>Total</b> .....	<b>149</b>	<b>157</b>	<b>157</b>

Note:

(1) The financial information set out in this column has been extracted from unaudited management data.

Individual sector limits are allocated on the basis of market weight within the total portfolio limits and guidelines, as set by the management as part of the budget process at the beginning of every year.

As GIC is a "buy and hold" investor, it does not change sectors frequently, but excess or unused limits can be reallocated throughout the year between sectors depending on market conditions.

To diversify its income stream and reduce correlation with market trends, as at 30 June 2014 and based on management data, GIC had invested U.S.\$526 million in a diversified portfolio of Equity and Managed Funds. Based on management data, externally managed investments in hedge funds accounted for U.S.\$390 million of this portfolio as at 30 June 2014. The bulk of the hedge fund assets are invested in a diversified portfolio with investment advice provided by the American firm, EACM Advisors LLC within the risk parameters set by GIC. In addition, as at 30 June 2014, U.S.\$116 million constituted undrawn commitments to external private equity managers and U.S.\$219 million was the fair market value of these external private equity investments.

GIC believes it has increased diversification of assets by the addition of Real Estate as an asset class under the Managed Funds umbrella. This diversification began with the establishment of investments in the Global REITS funds at the end of 2005. These have subsequently been liquidated in light of the current market opportunities, however, GIC continues to look to opportunities both globally and within the GCC to establish further funds in this sector.

The Corporate Treasury Unit of GIC supports the growth in GIC's assets by managing GIC's funding requirements (see "*Asset and Liability Management*" below), including the risks associated with such funding. As at 30 June 2014, total financing raised amounted to U.S.\$2,428 million (of which U.S.\$97 million was provided through securities repurchase agreements ("**repos**").

GIC had also historically engaged third party distributors for its products. As at 30 June 2014, third party assets under management amounted to U.S.\$49 million (31 December 2013: U.S.\$64 million; 31 December 2012: U.S.\$235 million). GIC has exited from, and is in the final wind down phase of, its Third Party Asset Management Business. See "*Overview*" above.

## **Internal Control & Risk Management**

The financial goal of GIC is to consistently earn competitive returns, while maintaining risks within acceptable levels. The continuous and rapidly changing business environment has increased the complexity and diversity of risks.

The various business activities of GIC generate a wide spectrum of risks. The four primary risks assessed are credit, market, liquidity and operational. Management of these risks through investment in knowledge and systems is a priority at GIC.

Risk management begins with management defining its risk appetite. This is followed by a three step process: (a) identifying and measuring the various risks generated; (b) monitoring and controlling such risks; and (c) optimising in relation to return.

The primary function of the independent Risk Management Division is to develop and maintain an effective enterprise risk management framework to enable a process of achieving an appropriate balance between risk and reward, by optimising profits and ensuring that GIC is protected from unwarranted exposures that are likely to threaten the viability of GIC.

Within GIC, responsibility for management of risks is not restricted to a single division. The philosophy adopted has been to encourage a culture of prudent risk management across all business and support areas.

From the perspective of control, the process of risk management is facilitated through a set of independent functions in addition to the Risk Management Division. These units, which report directly to senior management, include Financial Control, Internal Audit, Legal, and Compliance.

## **Credit Risk**

The primary tool used in the management of credit risk is a set of well defined credit policies and procedures. In addition to communicating management's risk appetite in the form of limits for country, product, industry and obligor to ensure broad diversification of credit risk, these policies detail the process for measurement, monitoring and reporting. The stringent credit approval framework mandates a thorough and rigorous evaluation of the creditworthiness of each obligor, after which limits are approved by management. Credit policies and procedures are designed to identify, at an early stage, exposures which require more detailed monitoring and review.

The Risk Management Division also measures credit risk statistically using credit metrics methodology to estimate expected and unexpected loss amounts for the various business activities. The system allows for accurate credit risk measurement on an individual exposure as well as on a portfolio basis. Expected and unexpected loss estimates are

computed based on probabilities of default ("**PD**") and loss given default ("**LGD**") data published by leading rating agencies. In addition to the various notional limits for risk, credit VaR limits have been established for key portfolios which are monitored on a continuous basis.

### ***Market Risk***

Within GIC, market risk is made up of three key risk constituents – interest rate risk, equity risk and foreign exchange risk.

Market risk is measured, monitored and managed, both on a notional basis, and using a VaR concept. A system of limits and guidelines restrains the risk taking activity with regard to individual transactions, net position, volumes, maturities, concentrations, maximum allowable losses, and ensures that risks are within the acceptable levels in terms of notional amounts. The VaR based system provides a more dynamic measure of market risk capturing, in a timely manner, the impact of changes in the business environment on the value of the portfolio of financial instruments.

Market VaR is calculated and reported to senior management on a daily basis at various levels of consolidation including portfolio, business unit and corporation. These VaR measures are based on a 95 per cent. confidence level, 25 day holding period, and using exponentially weighted historical market data. Scenario analysis is an essential component of the market risk management framework. Future scenarios, which result in a breakdown of the historical behaviour and relationships between risk constituents, are projected, and potential loss amounts determined. Most of these scenarios are derived from macroeconomic events of the past, modified with the expectations for the future. Market VaR and notional limits have been established for all portfolios and are continuously monitored.

### ***Liquidity Risk***

There are two sources of liquidity risk that GIC takes into account, being:

- (a) cash flow illiquidity, arising from the inability to honour financial commitments or to procure funds at reasonable rates and required maturities; and
- (b) asset illiquidity, relating to the lack of market depth during times when assets are to be liquidated on a forced basis.

GIC's management of liquidity is based on an overall balance sheet approach that brings together all sources and uses of liquidity. Liquidity requirements cover various needs that are addressed by GIC's senior management.

As part of GIC's funding and liquidity plan, liquidity limits, liquidity ratios, market triggers and assumptions for periodic stress tests are established and approved. The size of the limit depends on the size of the balance sheet, depth of the market, the stability of liabilities and liquidity of the assets. Generally, limits are established such that in stressed scenarios, GIC could be self-funded. Separate limits are set for the maximum daily cash outflow, the maximum cumulative cash outflow and the net liquid asset ratio. Additionally, interest rate gapping limits, in terms of Eurodollar futures contract equivalents, have also been established for individual currency and overall gaps. All of the abovementioned limits are continuously monitored.

### ***Operational Risk***

GIC's Operational Risk Management framework is a part of its overall enterprise risk management framework and sets out the principles and practices that GIC uses to manage operational risk by identifying, measuring, controlling, monitoring and reporting risks. In order to meet the demands and best practices of Basel, GIC's operational risk programme is composed of four components for each line of business:

- (a) Risk and Control Self-Assessment Framework – establishes a consistent framework for describing business activities, processes, risks and controls, monitoring and testing those controls, assessing the controls and reporting results of the monitoring and assessment activities;
- (b) Loss Event Framework – comprehensive information about events giving rise to a loss is collected, including information regarding amount, occurrence, discovery date, business area and product involved and detailed root cause analysis;
- (c) Corrective Action Plans Framework – identifies, documents and resolves control issues identified in GIC's business and demonstrates to audit (internal and external) and regulators, that management is aware of and is actively addressing such issues and is resolving them in a timely manner; and

- (d) Operational Risk Reporting Framework – ensures that all types of risks and events are categorised and reported consistently following the Basel II ratings.

As described above, GIC has undertaken certain preliminary analysis on the impact of Basel III. However, GIC's current operational risk programme does not yet comprise any Basel III recommendations.

#### ***Liquid Asset Ratio and Total Deposits***

As at 30 June 2014, GIC's liquid asset ratio was 57.6 per cent., reflecting the high proportion of liquid assets, the majority of which include marketable securities, maintained on the balance sheet.

As at 30 June 2014, total deposits amounted to U.S.\$847 million, of which 98.8 per cent. are deposits from GCC governments and central banks and other institutions headquartered in the GCC states.

#### ***Foreign Exchange Risk***

Most of GIC's assets are match-funded in terms of currency and foreign exchange trading is focussed on providing services to clients and hedging activities for GIC. The Corporate Treasury Unit is responsible for maintaining foreign exchange exposures within small open daylight position limits granted to traders, with overnight limits being very strictly controlled. Foreign exchange derivatives are used to cover clients' needs. Foreign exchange positions are continuously monitored independently by GIC's compliance units through the use of these notional limits, VaR and the imposition of monetary stop-loss limits.

#### ***Interest Rate Risk***

GIC actively manages interest rate risk by minimising the gap between assets and liabilities. Interest rate risk is limited to one year and the use of mark-to-market derivatives to reduce this risk or to express market views is authorised. Limits on exposure are expressed through the imposition of daily and periodic cash flow limits and by the use of interest gapping limits (limits on the creation of interest rate differentials caused by the re-pricing mismatch of assets and liabilities). Derivatives, primarily interest rate swaps, are used to convert long maturity fixed rate securities to floating rate.

### **ASSET QUALITY**

GIC diversifies its geographic risk exposure through investments in the international capital markets. Accordingly, 75.1 per cent. of GIC's total assets were in GCC countries as at 30 June 2014, while 13.5 per cent. were in North America, 8.3 per cent. in Europe and 3.1 per cent. in Asia.

To mitigate the effects of the global economic crisis witnessed since 2008, GIC has undertaken several initiatives to reduce risks and improve its capital adequacy ratios, one of which included deleveraging assets. In line with this initiative, GIC has continued to reduce prudently its exposure to volatile international assets while increasing, in a prudent manner, its exposure to the projects and equity participation portfolio in the GCC. Based on management data, GIC's exposure to projects and investments in the GCC has increased from U.S.\$2,393 million as at 31 December 2013, to U.S.\$2,434 million as at 30 June 2014.

GIC's projects and equity participations portfolio represent the main source of credit risk. GIC believes that its securities portfolios are of a high credit quality but acknowledges that this portfolio could exhibit some volatility due to prevailing market conditions. GIC's projects and equity participations portfolio is made up of investments in subsidiaries, associates and equity participations available for sale. GIC's consolidated financial statements as at 30 June 2014 show that investments in associates amounted to U.S.\$1,765 million as at 30 June 2014, compared to U.S.\$1,703 million as at 31 December 2013, representing an increase of 3.6 per cent. Equity participations available for sale amounted to U.S.\$557 million as at 30 June 2014, compared to U.S.\$575 million as at 31 December 2013.

Based on management data, gross provisions as at 30 June 2014 were U.S.\$237 million (31 December 2013: U.S.\$209 million; 31 December 2012: U.S.\$191 million).

GIC books a provision after any permanent decline in the value of that part of its projects and equity participations portfolio formed by equity participations available for sale. GIC's portfolio remains exposed to cyclical downturns and could give rise to requirements for additional provisions given the nature of the investments. Furthermore, as the bulk of GIC's projects and equity participations portfolio are not in listed companies, disposing of them in times of stress can be difficult. In addition, GIC believes that its projects and equity participations portfolio is concentrated, as the five largest investments accounted for more than one-half of its total portfolio as at 30 June 2014. Based on

management data, the five largest participations, which accounted for U.S.\$1,687 million, or 69.3 per cent. of GIC's total projects and equity participations portfolio as at 30 June 2014, are as follows:

The National Titanium Dioxide Co. (CRISTAL).....	U.S.\$642 million
Gulf United Steel Holding Company B.S.C. (c) .....	U.S.\$410 million
National Industrialization Co. (NIC).....	U.S.\$380 million
InvesTel Holdings WLL. ....	U.S.\$147 million
Bituminous Products Company Ltd. ....	U.S.\$108 million

GIC's financial assets available for sale portfolio accounts for a significant amount of GIC's assets representing 39.6 per cent. of total assets as at 30 June 2014, comprising Debt Instruments (U.S.\$1,344 million), Equities and Managed Funds (U.S.\$59 million), Equity Participations (U.S.\$557 million) and Private Equity Funds (U.S.\$219 million). 61.7 per cent. of the financial assets available for sale portfolio comprises Debt Instruments which includes, *inter alia*, international bonds, GCC securities, asset backed securities and structured debt instruments. The Debt Instruments portfolio is almost entirely categorised as investment grade. The foreign currency risk is substantially mitigated by GIC's Corporate Treasury Unit which macro hedges GIC's entire investment portfolio by minimising asset/liability re-pricing mismatch.

As at 30 June 2014, GIC has an investment of U.S.\$638 million classified as financial assets at fair value through statement of income, mainly of investments in Alternative Equity Funds (U.S.\$309 million), Unquoted Managed Funds (U.S.\$308 million) and Quoted Bonds (U.S.\$21 million). Alternative Equity Funds comprise investments in hedge funds and other alternative investments and are recognised at fair value through the statement of income. Unquoted Managed Funds comprise investments in funds that actively trade in mortgage backed securities, managed futures and equities issued within the GCC.

## Placements

Total placements amounted to U.S.\$445 million as at 30 June 2014 (31 December 2013: U.S.\$345 million; 31 December 2012: U.S.\$884 million). As at 30 June 2014, 82 per cent. of total placements were within the GCC, 14.6 per cent. were within Europe and 3.4 per cent. in Asia. Such assets are mostly deposits with investment-grade banks and all of the placements are short term, with maturities of less than three months.

## Investments in Projects and Equity Participations

Except NoCo A.LP (holding through GIC Financial Services Ltd.) and GIC Financial Services Ltd. all of GIC's projects and equity participation portfolio subsidiaries relate to entities based in the GCC member states. Based on management data, the five most significant investments in this portfolio accounted for U.S.\$1,687 million, or 69.3 per cent. of GIC's total projects and equity participations portfolio as at 30 June 2014.

The following table sets out a breakdown of concentrations by industry sectors (as a percentage of total portfolio and the aggregate carrying value of such investments, gross of general provisions) as at 30 June 2014 and 31 December 2013, respectively:

Industry	As at 30 June 2014 <sup>(1)</sup>		As at 31 December 2013	
	(in millions of U.S.\$, except percentages)			
Chemicals	1,022	42%	994	42%
Metals & mining	416	17%	422	18%
Wireless Telecommunication Services	199	8%	182	8%
Independent Power Producers & Energy Traders	173	7%	162	7%
Building Products	108	4%	110	5%
Insurance	105	4%	104	4%
Electrical Equipment	70	3%	69	3%

Industry	As at 30 June 2014 <sup>(1)</sup>		As at 31 December 2013	
	<i>(in millions of U.S.\$, except percentages)</i>			
Containers & Packaging	50	2%	49	2%
Diversified Telecommunication Services	46	2%	47	2%
Machinery	40	2%	38	2%
Food Products	39	2%	47	2%
Diversified Financial Services	36	1%	40	2%
Capital markets	32	1%	34	1%
Construction & Engineering	27	1%	26	1%
Air Freight & Logistics	25	1%	28	1%
Others	45	2%	41	2%
<b>Total</b> .....	<b>2,434</b>	<b>100%</b>	<b>2,393</b>	<b>100%</b>

Note:

(1) The financial information set out in this table has been extracted from unaudited management data.

### Financial assets at fair value through statement of income

This includes investment in Trading Equities and funds, trading bond and other debt funds and Alternative Equity Funds. The following table sets out GIC's investments in financial assets at fair value through statement of income as at 30 June 2014, 31 December 2013 and 31 December 2012, respectively:

	As at 30 June 2014	As at 31 December 2013	As at 31 December 2012
	<i>(in millions of U.S.\$)</i>		
Investment in unquoted managed funds.....	308	313	293
Quoted debt instruments.....	21	53	21
Investments in alternative equity funds.....	309	340	307
<b>Total</b> .....	<b>638</b>	<b>706</b>	<b>621</b>

### Loans

As at 30 June 2014, GIC's outstanding loans were made solely to related parties (GIC's associate and subsidiaries) in the form of subordinated loans or equity bridge loans. Subordinated loans to subsidiaries are eliminated on consolidation and equity bridge loans to associate companies are treated as part of GIC's investment in such associate company.

### Financial assets available for sale

As at 30 June 2014, GIC's financial assets available for sale portfolio was made up of Debt Instruments, Equities and Managed Funds, Equity Participations and Private Equity Funds. The table below sets out GIC's financial assets available for sale portfolio as at 30 June 2014, 31 December 2013 and 31 December 2012, respectively:

	As at 30 June 2014		As at 31 December 2013		As at 31 December 2012	
	(in millions of U.S.\$)	(as a percentage)	(in millions of U.S.\$)	(as a percentage)	(in millions of U.S.\$)	(as a percentage)
International bonds .....	348	16.0	569	22.8	660	23.6
GCC and Islamic bonds .....	867	39.8	857	34.3	816	29.1
Emerging market bonds and funds .....	27	1.2	—	—	153	5.5
Structured debt instruments .....	102	4.7	114	4.5	238	8.5
<b>Debt Securities – Total .....</b>	<b>1,344</b>	<b>61.7</b>	<b>1,540</b>	<b>61.6</b>	<b>1,867</b>	<b>66.7</b>
Quoted equity investments .....	59	2.7	138	5.6	123	4.4
Unquoted managed fund investments .....	—	—	26	1.0	35	1.2
<b>Equities and managed funds – Total .....</b>	<b>59</b>	<b>2.7</b>	<b>164</b>	<b>6.6</b>	<b>158</b>	<b>5.6</b>
Equity participations available for sale:						
Quoted equity investments .....	406	18.7	418	16.7	386	13.8
Unquoted equity investments .....	151	6.9	157	6.3	140	5.0
<b>Equity participations – Total .....</b>	<b>557</b>	<b>25.6</b>	<b>575</b>	<b>23.0</b>	<b>526</b>	<b>18.8</b>
Private equity funds available for sale:						
Managed funds portfolio .....	195	8.9	191	7.6	210	7.5
Real estate funds portfolio .....	19	0.9	25	1.0	32	1.1
GCC diversified funds portfolio .....	5	0.2	5	0.2	7	0.3
<b>Private equity funds – Total .....</b>	<b>219</b>	<b>10.0</b>	<b>221</b>	<b>8.8</b>	<b>249</b>	<b>8.9</b>
<b>Total Financial Assets Available for Sale .....</b>	<b>2,179</b>	<b>100</b>	<b>2,500</b>	<b>100</b>	<b>2,800</b>	<b>100</b>

### Securities Sold under Resale/Repurchase Agreements

The following table sets out the breakdown of securities sold under resale/repurchase agreements as at 30 June 2014, 31 December 2013 and 31 December 2012, respectively:

	As at 30 June 2014 <sup>(1)</sup>	As at 31 December 2013	As at 31 December 2012
	(in millions of U.S.\$)		
<b>Repurchase agreements</b>			
Banks .....	45	—	90
Others .....	52	55	335
<b>Total .....</b>	<b>97</b>	<b>55</b>	<b>425</b>

Note:(1) The financial information set out in this column has been extracted from unaudited management data.

## ASSET AND LIABILITY MANAGEMENT

The following table sets out the breakdown of total deposits as at 30 June 2014, 31 December 2013 and 31 December 2012, respectively:

	As at 30 June 2014	As at 31 December 2013	As at 31 December 2012
	<i>(in millions of U.S.\$)</i>		
Deposits from Central Banks .....	80	80	80
Deposits from other banks .....	124	30	173
Deposits from financial institutions .....	495	671	787
Other deposits .....	148	328	52
<b>Total.....</b>	<b>847</b>	<b>1,109</b>	<b>1,092</b>

As at 30 June 2014, deposits from GCC country governments, Central Banks and other institutions headquartered in the GCC countries amounted to U.S.\$837 million.

While inter-bank deposits are potentially volatile, GIC's shareholding structure grants access to this type of funding within the GCC markets. Among the largest depositors are some of the Central Banks of the Shareholder States and other sovereign entities of the Shareholder States, which have provided GIC with a stable deposit base.

Based on management data and, based on management assessment of maturities, as at 30 June 2014, 49 per cent. of short-term borrowings (31 December 2013: 82 per cent.; 31 December 2012: 88 per cent.) were due to mature within three months. However, GIC's retention record shows that short maturity deposits from GCC governments, Central Banks and other regional financial institutions have been regularly renewed over the past several years. Liquidity risk is further mitigated by the fact that, as at 30 June 2014, 58 per cent. of GIC's total assets can be liquidated within 12 months.

The majority of GIC's financing is obtained in U.S. dollars. All non-U.S. dollar financings are fully hedged and no currency exposures are undertaken.

The diversification of funding sources continues both regionally and internationally. In this regard, GIC has established this Euro Medium Term Note Programme, which targets international investors. As at 30 June 2014, medium term finance raised by GIC, including syndicated loans, stood at U.S.\$1,511 million compared to U.S.\$1,589 million as at 31 December 2013 and U.S.\$2,123 million as at 31 December 2012. In addition, an extensive GCC marketing programme has been launched, which is directed toward GCC-based institutions, government bodies, and family businesses.

Historically, GIC has used securities repurchase agreements to fund its securities portfolio. In the third quarter of 2002, recognising the need to improve its liability management, the management of repurchase agreements was switched from the Debt Capital Markets portfolio managers to the Funding and Liquidity department of GIC's Corporate Treasury Unit. At the same time, GIC made the decision to create a strategic reserve of liquidity by creating a pool of securities that would be available for, but not subject to, financing through the repo market.

As at 30 June 2014, 7 per cent. of GIC's Debt Instruments available for sale portfolio was subject to securities repurchase agreements ("**repos**") compared to 4 per cent. as at 31 December 2013 and 23 per cent. at 31 December 2012.

GIC has also acted to improve internal management of its debt securities portfolios. The management team concentrates on sectors by industry with allocations being made within defined risk/reward parameters. Internal investment models have been developed to assist with this process.

Derivatives and foreign exchange instruments are used by GIC to generate trading revenues and as part of GIC's assets and liability management activity to hedge its exposure to market, interest rate and currency risk. As at 30 June 2014, the notional amount of interest rate swaps and interest rate futures used to hedge interest rate risk amounted to U.S.\$334 million and its net fair value was a swap loss of U.S.\$12 million. The corresponding gain on the hedged items amounted to U.S.\$12 million as at 30 June 2014.

The following table sets out the maturity profile of GIC's consolidated assets and liabilities as at 30 June 2014 and is based on management's assessment of GIC's right and ability to liquidate these instruments based on their underlying liquidity characteristics.

As at 30 June 2014					
	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
	<i>(in millions of U.S.\$)</i>				
<b>Assets</b>					
Cash and cash equivalents	150	—	—	—	150
Placements	445	—	—	—	445
Financial assets at fair value through statement of income	238	400	—	—	638
Financial assets available for sale	1,707	106	40	326	2,179
Investment in associates	—	—	—	1,765	1,765
Other assets	106	116	89	17	328
<b>Total assets</b>	<b>2,646</b>	<b>622</b>	<b>129</b>	<b>2,108</b>	<b>5,505</b>
<b>Liabilities and equity</b>					
Deposits	413	434	—	—	847
Securities sold under repurchase agreements	97	—	—	—	97
Term finance	—	—	1,282	229	1,511
Other liabilities	89	46	65	15	215
Equity	—	—	—	2,835	2,835
<b>Total liabilities and equity</b>	<b>599</b>	<b>480</b>	<b>1,347</b>	<b>3,079</b>	<b>5,505</b>

Provision for impairment losses (consolidated) for the six-month period ended 30 June 2014, and the years ended 31 December 2013 and 31 December 2012 are provided below:

	Period ended 30 June 2014	Year ended 31 December 2013	Year ended 31 December 2012
	<i>(in millions of U.S.\$)</i>		
Financial assets available for sale – Debt securities	—	—	2
Financial assets available for sale – Equities and managed funds	—	—	(1)
Financial assets available for sale – Equity participations	(6)	(20)	—
Financial assets available for sale – Private equity funds	(4)	(11)	(8)
Investment in associates	(23)	(16)	(12)
Other assets	25	(24)	(6)
<b>Total</b>	<b>(8)</b>	<b>(71)</b>	<b>(25)</b>

## Financial Performance

Net consolidated profit for the six months ended 30 June 2014 and 30 June 2013 are provided below:

	Net profit
	<i>(U.S.\$ million)</i>
6 months ended 30 June 2014	164
6 months ended 30 June 2013	96

Net consolidated profit for the years ended 31 December 2013 and 31 December 2012 are provided below:

	Net profit
	<i>(U.S.\$ million)</i>
12 months ended 31 December 2013	165
12 months ended 31 December 2012	131

Figures for unrealised gains/(losses) on available for sale assets and share of other comprehensive income/loss from associate companies are not included in the above table. These are taken to investment revaluation reserve, foreign currency translation reserve and cash flow hedge reserve as a separate component of GIC's shareholders' equity. Details of these are provided below:

	<b>All Revaluation reserves</b>
	<i>(U.S.\$ million)</i>
As at 30 June 2014 .....	137
As at 31 December 2013 .....	44
As at 30 June 2013 .....	(84)
As at 31 December 2012 .....	(65)

GIC's income statement information for the six months ended 30 June 2014 and 30 June 2013 are provided below:

	<b>Period ended 30 June 2014</b>	<b>Period ended 30 June 2013</b>
	<i>(U.S.\$ million)</i>	
Interest income .....	19	20
Net gains from investments .....	114	59
Dividend income .....	22	35
Share of results of associates .....	63	55
Net fees and commissions .....	7	6
Foreign exchange (loss) .....	—	—
<b>Total income</b> .....	<b>225</b>	<b>175</b>
Interest expenses .....	(29)	(36)
Other operating income .....	7	4
<b>Net operating income</b> .....	<b>203</b>	<b>143</b>
Staff cost .....	(24)	(25)
Premises cost .....	(1)	(1)
Other operating expense .....	(6)	(6)
<b>Operating profit</b> .....	<b>176</b>	<b>111</b>
Impairment losses .....	(8)	(15)
<b>Net profit for the period</b> .....	<b>164</b>	<b>96</b>

GIC's consolidated income statement information for the years ended 31 December 2013 and 31 December 2012 are provided below:

	<b>Year ended 31 December 2013</b>	<b>Year ended 31 December 2012</b>
	<i>(U.S.\$ million)</i>	
Interest income .....	38	42
Net gains from investments .....	132	78
Dividend income .....	42	28
Share of results of associates .....	112	98
Net fees and commissions .....	35	26
Foreign exchange gain (loss) .....	-	1
<b>Total income</b> .....	<b>359</b>	<b>273</b>
Interest expense .....	(69)	(61)
Other operating income .....	12	10
<b>Net operating income</b> .....	<b>302</b>	<b>222</b>
Staff cost .....	(50)	(49)
Premises cost .....	(2)	(2)
Other operating expense .....	(14)	(15)
<b>Operating profit</b> .....	<b>236</b>	<b>156</b>
Impairment losses .....	(71)	(25)
<b>Net profit for the year</b> .....	<b>165</b>	<b>131</b>

GIC has acted to reduce its leverage and enhance its liquidity profile. As at 31 December 2012 GIC's gearing ratio was 1.3, compared to 1.1 at 31 December 2013 and 0.8 as at 30 June 2014. Additionally, as at 30 June 2014, GIC's Total and Tier 1 capital adequacy ratio was 43.6 per cent.

### **Dividend Policy**

It has been the policy of GIC to avoid undue fluctuations in the rate of dividend payments. Dividend policy will be consistent with the need to compensate the Shareholder States whilst maintaining an adequate capital base.

### **RELATIONSHIP WITH SHAREHOLDERS**

The Shareholder States nominate the Board of Directors of GIC. The Board of Directors of GIC is responsible for setting the overall strategy of GIC, which is then implemented by GIC's management. The Shareholder States do not concern themselves with the day-to-day implementation of GIC's strategy.

The Shareholder States have demonstrated strong support during the global financial downturn witnessed since 2008, providing liquidity when required and, through a board resolution passed on 23 October 2008, calling the U.S.\$1,100 million unpaid portion of authorised capital (which is now fully paid up) (see subsection entitled "*Share Capital – Authorised, Issued and Paid Up Capital*" above).

See also "*Share Capital – Authorised, Issued and Paid Up Capital*" for a general description of the rights attached to GIC's shares.

### **Material Intra Group transactions**

All transactions between GIC and its subsidiaries and associates and any entities with partial or majority ownership by the Shareholder States are expected to be executed on an arm's-length basis and on normal commercial terms, in line with the internal accounting policies of GIC.

### **MANAGEMENT AND EMPLOYEES**

#### **Board of Directors**

GIC's management is undertaken by a Board of Directors of twelve members. Each Shareholder State is represented by two members. Six of the members of the Board of Directors are members of the Executive Committee and the remainder are members of the Audit Committee. Six members of the Board of Directors also make up the Risk Management Committee.

The Board of Directors has a Chairman and a Vice Chairman. Such positions are held for a period of two years and are rotated among the members representing the Shareholder States. The method of rotation follows the Arabic alphabetical order of the names of the Shareholder States. The Chairman of the Board of Directors is GIC's legal representative and the Vice Chairman acts for him in the event of his absence.

The right to sign individually on behalf of GIC is vested in the Chairman, or in the Vice Chairman in the event of his absence, or in a member of the Board of Directors nominated by the Board of Directors for such purpose. The Board of Directors may empower any of GIC's officers to sign on its behalf after stipulating such restrictions as it deems fit.

The present Board of Directors consists of the following 12 members:

### **STATE OF KUWAIT**

<b>H.E. Mr. Faisal M. H. Boukhadour</b> Advisor in Diwan of H.H. the Prime Minister of the State of Kuwait	(Chairman of the Audit Committee and Remuneration and Human Resources Committee member )
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<b>H.E. Mr. Bader Ajeel Al-Ajeel</b> Executive Director – General Reserve Sector Kuwait Investment Authority	(Risk Management Committee and Executive Committee member)
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## **UNITED ARAB EMIRATES**

**H.E. Mr. Faisal Al-Mansouri**

Director of Strategic Planning & Performance,  
Department Ministry of Finance

(Chairman of the Risk Management Committee and  
Executive Committee member)

**H.E. Mr. Saeed Rasheed Al-Yateem**

Assistant Undersecretary of Budget & Revenue, Ministry  
of Finance

(Remuneration and Human Resources Committee and  
Audit Committee member)

## **KINGDOM OF BAHRAIN**

**H.E. Dr. Zakaria Ahmed Hejres**

Chief Executive Officer  
Global Banking Corporation B.S.C.

(Chairman of the Remuneration and Human Resources  
Committee and Executive Committee member)

**H.E. Mr. Khalid A. Al-Bassam**

(Risk Management Committee Member and Audit  
Committee member)

## **KINGDOM OF SAUDI ARABIA**

**H.E. Mr. Khaled S. Al-Khattaf**

(Executive Committee member and Risk Management  
Committee member)

**H.E. Mr. Turki Bin Ibrahim Al-Malik**

Deputy CEO & Chief Operating Officer  
Saudi Arabian Investment Co. (Sanabil Investments)

(Audit Committee and Remuneration and Human  
Resources Committee member)

## **SULTANATE OF OMAN**

**H.E. Mr. Darwish Ismail Ali Al-Bulushi**

Minister Responsible for Financial Affairs Ministry of  
Finance

(Executive Committee and Remuneration and Human  
Resources Committee member)

**H.E. Mr. Abdul Kader Askalan**

(Chairman of the Board, Risk Management Committee  
member and Audit Committee member)

## STATE OF QATAR

**H.E. Mr. Sheikh Fahad Faisal Al-Thani**  
Deputy Governor  
Qatar Central Bank

(Chairman of the Executive Committee and Remuneration and Human Resources Committee member)

**H.E. Dr. Hussain Ali Al-Abdulla**  
Board Member – Executive  
Qatar Investment Authority

(Audit Committee and Risk Management Committee member)

The business address of each member of the Board of Directors is c/o Gulf Investment Corporation G.S.C., P.O. Box 3402, Safat 13035, Sharq, Kuwait.

None of the members of the Board of Directors of GIC have activities outside of GIC which are of significance to GIC. None of the Members of the Board of Directors of GIC have any actual or potential conflict of interest between his duties to GIC and his private interests and/or duties.

The Board of Directors has established the following committees to oversee the management of GIC:

### **Board Committees**

#### ***The Executive Committee***

The role of the Executive Committee of the Board of Directors is to assist the Board of Directors in fulfilling its oversight responsibility relative to the approval of Risk Management policies and limits, the approval of selected Principal Investments and the approval and review of budgets and performance. The Executive Committee is comprised of six members of the Board of Directors. The Executive Committee meets on a quarterly basis.

#### ***The Audit Committee***

The role of the Audit Committee of the Board of Directors is to ensure the integrity of GIC's accounts, supervise internal and external auditors and ensure compliance with legal and regulatory requirements. The Audit Committee comprises those six members of the Board of Directors who are not members of the Executive Committee. The Audit Committee meets on a quarterly basis.

#### ***The Risk Management Committee***

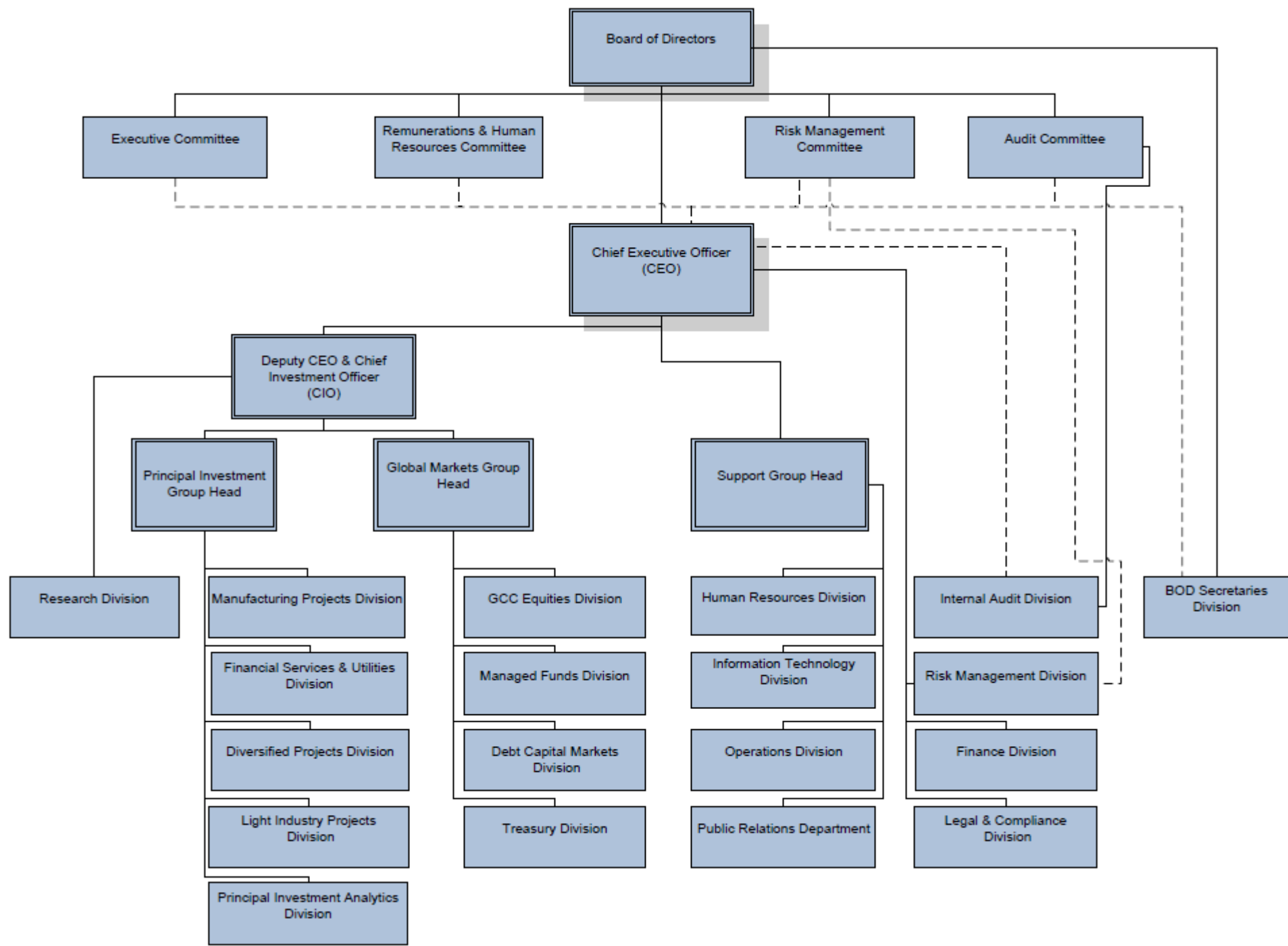
The Risk Management Committee of the Board of Directors comprises three members of each of the Executive and Audit Committees of the Board of Directors and focuses on the effectiveness and appropriateness of the internal risk management strategy, risk management framework and risk controls (collectively known as Enterprise Risk Management). The Board of Directors, based on the Risk Management Committee's recommendations will establish GIC's tolerance levels for credit, market, liquidity and operational risk.

#### ***Remuneration & Human Resources Committee***

The Remuneration and Human Resources Committee reviews human resource policies and human resource development plans as well as reviewing bonus policies and supervising their application.

### **Management**

The chart below depicts the current management structure of GIC:



## **Management Committees**

The management of GIC has established the following committees to facilitate the operations and management of GIC.

### **Management Committee**

This committee is charged with overseeing general management issues, including performance reviews concerning budgets and the assessment of progress in accordance with strategic business plans.

- CEO – Chairman
- Deputy CEO and CIO
- Head of Administration & Finance Group
- Head of Global Markets Group
- Head of PI Group
- Head of Manufacturing Projects Division within PI
- Head of Financial Services and Utilities Projects Division within PI
- Head of Diversified Projects Division within PI
- Head of Risk Management
- Secretary to the Board

### ***Global Markets Group (GMG) Investment Committee***

This committee translates investment strategy decisions into asset allocation guidelines, recommends investment proposals and reviews investment portfolios. The committee also functions as a surrogate Asset-Liability Committee.

- CEO – Chairman
- Deputy CEO and CIO – Vice Chairman
- Head of Global Markets Group
- Head of Treasury
- Head of Debt Capital Markets
- Head of GCC Equities
- Head of Managed Funds
- Head of Research
- Head of Risk Management

### ***Principal Investment (PI) Committee***

This committee evaluates proposals for investments and divestiture of assets and ensures compliance with investment criteria and investment procedures at each phase of the investment process.

- CEO – Chairman
- Deputy CEO and CIO

- Head of PI Group
- Head of Manufacturing Projects
- Head of Financial Services and Utilities
- Head of Diversified Projects
- Head of Risk Management
- Head of Financial Control
- Head of Treasury
- Head of Research
- Head of Light Industries
- Head of PI Analytics

#### ***System Steering Committee***

This committee reviews GIC's IT architecture and its condition to ensure that it meets current and future business requirements, approves new systems and provides the forum to discuss IT functionality issues.

- Deputy CEO & Head of Finance and Administration - Chairman
- Head of IT
- Head of Internal Audit
- Head of Financial Control
- Head of Operations
- Head of Risk Management

#### **Senior Management**

##### ***Mr. Ibrahim Al Qadhi – Chief Executive Officer & General Manager***

###### *Kuwaiti Citizen*

BA Kuwait University, Graduate of Finance in the School of Business Administration. Mr. Al Qadhi was appointed as Chief Executive Officer of GIC in February 2013. Prior to joining GIC, Mr. Al Qadhi worked at Kuwait Investment Company (KIC) for sixteen years, rising to the position of Executive Director of Foreign and Domestic Portfolios. Later in 1998, Mr. Al Qadhi became the Executive Director of the Supervision Sector at the Central Bank of Kuwait (CBK) where he spent ten years. Subsequently, Mr. Al Qadhi served as the Chief Executive Officer of Kuwait Clearing Company (KSC) until being elected Chairman of the Board of Boubyan Bank in April 2009. Mr. Al Qadhi resigned as Chairman of the Bank in March 2012 to focus fully on his role as Chairman of the Board and Chief Executive Officer of the Kuwait Clearing Company.

##### ***Dr. Russell Read – Deputy CEO and Chief Investment Officer***

###### *American Citizen*

MA in Economics. MBA University of Chicago. PhD Stanford University. Dr. Read joined GIC in August 2011. Prior thereto, Dr. Read launched C Change Investments (as its Chief Executive). Prior to this, he was the Chief Investment Officer for the California Public Employees Retirement System (CalPERS). Dr. Read started his career at First National Bank of Chicago and then spent several years as an actuary and investment analyst at CNA Insurance and The Prudential. In 1993, Dr. Read joined

Oppenheimer Funds where he led their efforts in new product development and in 2000 joined Scudder Investments/Deutsche Asset Management and became their Deputy Chief Investment Officer in 2004.

***Mr. Shafic Ali – Group Head – PI***

*British Citizen*

MBA University of California at Berkeley. Mr. Ali joined GIC in mid 2002. Before that, he was the Head of Investment Banking for MENA at Schroder Salomon Smith Barney (Citigroup) in London following the acquisition by Citigroup of the investment banking business of Schroders, where he had been since 1986. Between 1979 and 1985, Mr. Ali acquired for the account of a private investor, re-structured and managed three industrial companies in Europe. He is Chairman of the Board of Al Ezzel Power Company B.S.C. and Al Dur Power & Water Co. and represents GIC on the Boards of Shuqaiq Water and Electricity Co, Jubail Water and Power Company and Gulf Re Holdings Ltd. – all of which are GIC portfolio companies.

***Mr. Martin Joy – Head of Treasury – Global Markets Group***

*British Citizen*

Mr. Joy oversees the daily Funding & Liquidity requirements of GIC, as well as the foreign exchange functions. Prior to joining GIC in 1994, Mr. Joy held similar positions in financial institutions in major international and regional financial centers, gaining over 35 years of experience in treasury functions. Before joining GIC, Mr. Joy was the Treasury Manager of Saudi Cairo Bank, Jeddah.

***Mr. Sebastian Vadakumcherry – Head of Risk Management***

*Indian Citizen*

Bachelor's Degree in Mechanical Engineering and a Masters Degree in Business Administration (MBA). Mr. Vadakumcherry has over 18 years' experience in the financial sector. He joined GIC in 1993 and has worked with the Corporate Planning, Financial Control and Compliance departments, in addition to Risk Management. Previously, he worked in the engineering design field within the petrochemical sector, in countries including India, Germany and the U.S.

***Dr. Sulayman Al-Qudsi –Head of Research Division***

*American Citizen*

PhD Economics, University of California, Davis. Since mid-2010, Mr. Al-Qudsi has been the Chief Economist at GIC. Earlier, he was the Chief Economist at Arab Bank plc, 2007-2010; Senior Research Director at the Canadian Energy Research Institute 2005-2007; Senior Advisor at the Ministry of Finance, Kingdom of Saudi Arabia 2001-2005; Senior Economist at the U.S. Treasury Department 1999-2001; and Lead Economist at the California Energy Commission 1993-1998. He has held several professorial positions at University of California, Davis, University of Calgary and Kuwait University. Mr. Al-Qudsi has conducted consultancy and training missions for the World Bank, HIID, OAPEC among others and has been well published internationally. He has served as the reviewer and editor for several economic journals and has been the recipient of several prestigious awards.

***Dr. Khaled Bukhamseen – Head of Internal Audit Department***

*Kuwaiti Citizen*

PhD in Managing Banking and Financial Sector Risks and obtained MBA track certification from the Sheffield Hallam University in the United Kingdom. Mr. Bukhamseen is a Certified Internal Auditor, Certified Information System Auditor, Certified Fraud Examiner and Certified Information Security Manager. Prior to joining GIC in October 2010, Dr. Bukhamseen managed the Internal Audit Department of Commercial Bank of Kuwait. He has taught at the College of Commerce Studies, the Arabian Open University and the Institute of Banking Studies in Kuwait.

The business address of each member of GIC's senior management is c/o Gulf Investment Corporation G.S.C., PO Box 3402, Safat 13035, Sharq, Kuwait.

None of the members of GIC's senior management have any actual or potential conflict of interest between his duties to GIC and his private interests and/or duties.

**Employees**

As at 30 June 2014, GIC had a total of 172 employees. All employees are based at GIC's head office in Kuwait. As a Gulf Shareholding Company, GIC is not obliged to comply with any regulated targets for employment of Kuwaiti nationals. However, GIC recognises its responsibility to develop skills within the GCC and does endeavour to provide opportunities for local and GCC staff. Out of its total staff, 77 are Kuwaiti nationals and a further 18 are nationals of other GCC member countries.

## CAPITALISATION AND INDEBTEDNESS OF GIC

The following table sets out the short-term liabilities, long-term liabilities and shareholders' equity of GIC as at 30 June 2014, 31 December 2013 and 31 December 2012.

	As at 30 June 2014	As at 31 December 2013	As at 31 December 2012
	<i>(in millions of U.S.\$)</i>		
<i>Short-term liabilities</i>			
Securities sold under repurchase agreements .....	97	55	425
Deposits .....	847	1,109	1,092
Other liabilities .....	215	373	349
<b>Total short-term liabilities</b> .....	<b>1,159</b>	<b>1,537</b>	<b>1,866</b>
<i>Long-term liabilities</i>			
Floating Rate Notes due 2013 .....	—	—	9
Floating Rate Notes due 2013 .....	—	—	100
Floating Rate Notes due 2013 .....	—	—	200
Floating Rate Notes due 2014 .....	—	100	100
Term loans o/s in Subsidiary companies .....	27	19	12
MYR MTN due 2013 .....	—	—	196
MYR MTN due 2016 .....	187	183	196
MYR MTN due 2016 .....	234	229	245
MYR MTN due 2022 .....	53	52	56
MYR MTN due 2027 .....	48	47	51
MYR MTN due 2023 .....	125	122	131
USD MTN due 2017 .....	500	500	500
CHE MTN due 2015 .....	337	337	327
<b>Total long-term liabilities</b> .....	<b>1,511</b>	<b>1,589</b>	<b>2,123</b>
<b>Total liabilities</b> .....	<b>2,670</b>	<b>3,126</b>	<b>3,989</b>
<i>Shareholders' equity</i>			
Share Capital .....	2,100	2,100	2,100
Reserves .....	907	903	827
Retained Earnings .....	(21)	(184)	(316)
<b>Equity before cash flow hedge reserve</b> .....	<b>2,986</b>	<b>2,819</b>	<b>2,611</b>
<b>Cash flow hedge reserve</b> .....	<b>(171)</b>	<b>(260)</b>	<b>(325)</b>
<b>Equity attributable to shareholders</b> .....	<b>2,815</b>	<b>2,559</b>	<b>2,286</b>
<b>Non-controlling interest</b> .....	<b>20</b>	<b>19</b>	<b>17</b>
<b>Total Equity</b> .....	<b>2,835</b>	<b>2,578</b>	<b>2,303</b>
<b>Total liabilities and shareholders' equity</b> .....	<b>5,505</b>	<b>5,704</b>	<b>6,292</b>

## TAXATION

*The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes and does not constitute legal or tax advice. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

### **Cayman Islands Taxation**

The following is a discussion of certain Cayman Islands tax consequences of an investment in the Notes issued by GFL. The discussion is a general overview of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws:

- (a) payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any Noteholder and gains derived from the sale of any Notes will not be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax;
- (b) subject as set out below no stamp duty is payable in respect of the issue or transfer of the Notes although stamp duty will be payable on Notes issued in bearer form if they are executed in or brought into the Cayman Islands; and
- (c) certificates evidencing the Notes, in registered form, to which title is not transferable by delivery, should not attract Cayman Islands stamp duty. However, an instrument transferring title to such a Note, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

GFL has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has applied for and obtained an undertaking from the Governor-in-Cabinet of the Cayman Islands, pursuant to Section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, that for a period of 20 years from the date of issue no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to GFL or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, bonds, sukuk or other obligations (which would include the Notes) of GFL or by way of the withholding in whole or part of any relevant payment (as defined in Section 6(3) of the Tax Concessions Law (2011 Revision)).

An annual registration fee is payable by GFL to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised share capital. At current rates, this annual registration fee is approximately U.S.\$853.66. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

### **Kuwait Taxation**

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

### *Income tax*

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

Pursuant to the Regulations, income generated from the lending of funds inside Kuwait is considered to be income realised from the conducting of business in Kuwait, and is therefore subject to income tax. As the Regulations have been implemented relatively recently, there has been no official statement made publicly by the DIT regarding its interpretation of, and/or application of, the requirement described in the previous paragraph in the context of a transaction such as the issue of the Notes, in particular where the issuer thereof is not incorporated in Kuwait. Similarly, the Kuwaiti courts (who will be the final arbiters on the matter) have not been required to interpret such requirement to date.

The DIT has not enforced the imposition of income tax referred to above (or the retention of payments referred to under "*Retention*" below) on non-GCC corporate entity "lenders" in the context of transactions to date which are similar to the issue of the Notes (such as other international bond issues which are made through offshore special purpose vehicles and/or loans extended to Kuwaiti borrowers by non-GCC corporate entity bank lenders).

Notwithstanding the foregoing, the application and enforcement of the Kuwaiti income tax regime remains uncertain, especially as a result of the lack of DIT and/or Kuwaiti court precedent referred to above and as a result of the fact that the DIT has to date not always adopted consistent rulings on Kuwaiti tax matters more generally. Accordingly, prospective investors in the Notes are advised that there remains a possibility that any Noteholder which is a non-GCC corporate entity may become subject to the Kuwaiti income tax regime in the future, should the DIT and/or the Kuwaiti courts determine that the income received by it in respect of any Notes held by it (whether payments are received directly from either GFL or GIC each in its capacity as the Issuer or are received from GIC in its capacity as the Guarantor under the Trust Deed, should there be a call on the GIC Guarantee) represents the "lending of funds inside Kuwait" (and hence constitutes the conducting of business in Kuwait for the purposes of the income tax regime described above), even if the Noteholder is not incorporated or otherwise located in Kuwait.

Given the lack of precedent of the DIT enforcing the imposition of income tax on non-GCC corporate entity lenders in the circumstances described above, it is not possible to state definitively how the DIT and/or the Kuwaiti courts may implement or enforce the Taxation Laws in practice.

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

### *Retention*

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

According to a literal interpretation of the Regulations, payments which are subject to a deduction as described above would include principal and interest payments. Accordingly, where GFL was the Issuer of the Notes, then GIC as the Guarantor would be required to deduct five per cent. from every payment made by it to GFL (in repayment of any amounts on-lent from GFL to GIC pursuant to any Note issue) and the *Noteholders* (if there is a call on the GIC Guarantee), which amount would be released by GIC

upon presentation to it by the Issuer or the relevant Noteholder of a tax clearance certificate from the DIT. In the event where GIC (as opposed to GFL) was the Issuer of the Notes, then GIC would be required to deduct five per cent. from every payment made by it to the Noteholders, and which amount would be released by GIC upon presentation to it by the relevant Noteholder of a tax clearance certificate from the DIT.

However, the *Noteholders* shall be able to rely on the provisions in the Notes and the Trust Deed which require that all payments be grossed up by an amount equal to any deduction, irrespective of whether a tax clearance certificate is presented or not.

#### *Other taxes*

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

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

#### ***Foreign Account Tax Compliance Act***

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. Person or should otherwise be treated as holding a "United States account" of the Issuer (a "Recalcitrant Holder"). Each of the Issuers may be classified as an FFI. The new withholding regime is currently in effect for certain payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017.

This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes characterised as debt for U.S. federal income tax purposes are issued on or before the grandfathering date and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

The Cayman Islands have entered into a Model 1 intergovernmental agreement (the "**US-Cayman Islands IGA**") with the United States and Kuwait has initiated a Model 1 intergovernmental agreement (the "**US-Kuwait IGA**") with the United States (which is treated as in effect through 31 December 2014).

If an Issuer becomes a Participating FFI, such Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder. If an Issuer is deemed to be

an FFI under FATCA, such Issuer expects to be treated as a Reporting FI pursuant to the US-Cayman Islands IGA or the US-Kuwait IGA, as applicable, and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that such Issuer will be treated as a Reporting FI or that it would in the future not be required to deduct FATCA Withholding from payments it makes.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by any Issuer, any paying agent or the common depositary, given that each of the entities in the payment chain between each Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuers and to payments they may receive in connection with the Notes.**

#### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC (the "**Savings Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other Member State or to certain limited types of entity established in that other Member State. However, for a transitional period, Austria and Luxembourg may instead apply (unless during that period they elect otherwise) a withholding system in relation to such payments, deducting tax at a rate of 35.0 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries and certain dependent or associated territories of certain Member States, including Switzerland, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes made under the Amending Directive include extending the scope of the Savings Directive to payments made to, or secured for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover additional types of income payable on securities.

Investors who are in any doubt as to their position should consult their professional advisers.

#### ***The Proposed Financial Transactions Tax***

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a financial transactions tax (the "**FTT**") to be adopted in certain participating EU Member States (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia) (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are exempt and, therefore, the issuance and subscription of Notes should be exempt.

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

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

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

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuers to any one or more of HSBC Bank plc, Merrill Lynch International, Barclays Bank PLC, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Gulf Investment Corporation G.S.C., Mizuho International plc and Standard Chartered Bank (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the relevant Issuer to, and purchased by, Dealers are set out in a Dealer Agreement dated 10 November 2004 as last amended and restated on or about 6 November 2014 (the "**Dealer Agreement**") and made between GFL, GIC and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination or appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented, warranted and undertaken to the Issuer and the Guarantor that it will offer, sell or deliver the Notes: (a) as part of their distribution at any time or (b) otherwise until 40 days after the issue date, only in accordance with Rule 903 under the Securities Act and, accordingly, that neither it nor any of its affiliates (including any persons acting on behalf of such Dealer or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes, and such Dealer and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

The Bearer Notes may be subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the relevant Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the relevant Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown

Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

**provided that** no such offer of Notes referred to above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

#### **United Kingdom**

Each Dealer has represented, warranted and undertaken and each further Dealer appointed under the Programme will be required to represent, warrant and undertake that:

- (a) in relation to any Notes which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to GFL or GIC; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **State of Kuwait**

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree the following:

No Notes have been licensed for offering in the State of Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of Notes in the State of Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of Notes is being made in the State of Kuwait, and no agreement relating to the sale of Notes will be concluded in the State of Kuwait. No

marketing or solicitation or inducement activities are being used to offer or market Notes in the State of Kuwait.

### **Hong Kong Special Administrative Region**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes, 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 laws of Hong Kong) other than with respect to any Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

### **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 Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 10 or Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the "**KSA Regulations**"), through a person authorised by the Capital Market Authority ("**CMA**") to carry on the activity of arranging securities and following a notification to the CMA under the KSA Regulations. The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "sophisticated investors" under Article 10 of the KSA Regulations or by way of a limited offer under Article 11 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Notes to a Saudi Investor will be made in compliance with the KSA Regulations.

### **Kingdom of Bahrain**

Each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, that it has not offered or sold, and will not offer or sell, any Notes 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;
- (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).

## **People's Republic of China**

Each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes will not be offered or sold directly or indirectly within the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan) ("**PRC**"). This Base Prospectus or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Base Prospectus, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested in by PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. Investors are responsible for obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking Regulatory Commission, and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

## **Cayman Islands**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall not make, and has not made, any invitation or offer whether directly or indirectly to the public in the Cayman Islands to subscribe for the Notes.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes 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 Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than:

- (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**");
- (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA; or
- (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers and Investments)(Shares and Debentures) Regulation 2005 of Singapore.

### **General**

With the exception of the approval by the Central Bank of Ireland of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Ireland, no action has been or will be taken in any country or jurisdiction by the relevant Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands the Base Prospectus or any Final Terms comes are required by the relevant Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in this paragraph.

Selling restrictions may be supplemented or modified with the agreement of each relevant Issuer. Any such supplement or modification will be set out in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### Admission to listing and trading

Application has been made to the Irish Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on the Main Securities Market.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Main Securities Market for the purposes of the Prospectus Directive.

However, Notes may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by the Irish Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as the relevant Issuer and the relevant Dealer(s) may agree.

### Notices

In the event of the redemption of Notes listed on the Official List pursuant to Condition 9 (*Redemption and Purchase*), notice shall be given, in accordance with Condition 20 (*Notices*), to the Irish Stock Exchange.

### Authorisations

The establishment of the Programme was approved by a resolution of the Board of Directors of GIC passed on 14 April 2004. On 12 October 2005, a further resolution was passed by the Board of Directors of GIC increasing the maximum principal amount of the Notes that can be issued under the Programme. The maximum principal amount of Notes that can be issued under the Programme is currently U.S.\$2,500,000,000 or its equivalent in any other currency. The entry into the transaction documents to which GIC is a party relating to the Programme and the issuance of Notes under the Programme from time to time has been approved by various resolutions of the Board of Directors of GIC, the latest such resolution having been passed on 6 March 2014.

GFL's accession to the Programme as an Issuer and the issuance of Notes thereunder by GFL was approved by a resolution of the Board of Directors of GFL passed on 30 September 2012. GFL has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the Programme and the issue and performance of any Notes issued by GFL under the Programme. The entry into the transaction documents to which GFL is a party relating to the Programme and the issuance of Notes under the Programme from time to time has been approved by various resolutions of the Board of Directors of GFL, the latest such resolution having been passed on 23 October 2014.

### Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear Bank S.A./N.V. is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream Banking, *société anonyme* is 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Material Contracts

There are no material contracts outside the ordinary course of each of GFL's and GIC's respective businesses that are material to its ability to meet its obligations to security holders.

## **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which GFL or GIC is aware) which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of GFL or GIC and its subsidiaries, taken as a whole.

## **No material adverse change and no significant change**

There has been no material adverse change in the prospects of GIC since 31 December 2013 nor has there been any significant change in the financial or trading position of GIC and its subsidiaries, taken as a whole, which has occurred since 30 June 2014.

Since 5 September 2012, save as disclosed on page 65 of this Base Prospectus, there has been no material adverse change in the prospects of GFL nor any significant change in the financial or trading position of GFL.

## **Auditors**

The auditors of GIC for the year ending 31 December 2014 are KPMG Safi Al-Mutawa & Partners, Kuwaiti Public Accountants and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, independent auditors. KPMG Safi Al-Mutawa & Partners is a registered auditor licensed to act as an auditor in Kuwait by the Kuwait Association of Accountants and Auditors. KPMG Safi Al-Mutawa & Partners were appointed as auditors of GIC on 17 April 2014.

Prior to 1 January 2014, the auditors of GIC were, and the financial statements of GIC for the years ended 31 December 2013 and 31 December 2012 appearing in, respectively, the 2013 Annual Report and the 2012 Annual Report of GIC were audited by, Ernst & Young, Al Aiban, Al Osaimi & Partners, a member of Ernst & Young Global Limited, independent auditors, as stated in their unqualified reports thereon and incorporated herein by reference. The financial statements of GIC for the years ended 31 December 2013 and 31 December 2012 were prepared in accordance with IFRS as adopted for use by the State of Kuwait. Waleed Al Osaimi is a registered auditor licensed to act as an auditor in Kuwait by the Kuwait Association of Accountants and Auditors.

Since the date of its incorporation, no financial statements of GFL have been prepared and GFL is not required by Cayman Islands law to do so.

## **Post-issuance information**

Neither GFL nor GIC will provide any post-issuance information, except if required by any applicable laws and regulations.

## **Documents available for inspection**

For so long as the Programme remains in effect or any Notes shall be outstanding, electronic and/or hard copies and, where appropriate, direct and accurate English translations of the following documents may be inspected during normal business hours at the Specified Office of the Principal Paying Agent and the Paying Agent having its Specified Office in Luxembourg, namely:

- (a) the Agreement of Incorporation and Articles of Association of GIC and the Memorandum and Articles of Association of GFL;
- (b) the current Base Prospectus in relation to the Programme;
- (c) the Paying Agency Agreement;
- (d) the Trust Deed (which contains the GIC Guarantee);
- (e) the Dealer Agreement;
- (f) the Programme Manual (which contains the forms of the Notes in global and definitive form);

- (g) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection; and
- (h) the financial statements as per the paragraph titled "*Financial statements available*" below.

This Base Prospectus and the Final Terms for Notes that are listed on the Official List and admitted to trading on the Main Securities Market will be published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

#### **Financial statements available**

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, direct and accurate English translations of the following documents may be obtained during normal business hours at the Specified Office of the Principal Paying Agent and the Paying Agent, namely:

- (a) the most recent publicly available audited financial statements (consolidated if GIC has consolidated subsidiaries at any such time in the future) of GIC (together with the notes thereto) beginning with such financial statements for the years ended 31 December 2012 and 31 December 2013; and
- (b) the most recent publicly available unaudited interim financial statements (consolidated if GIC has consolidated subsidiaries at any such time in the future) of GIC beginning with such financial statements for the six month period ended 30 June 2014. GIC currently prepares unaudited interim accounts on a quarterly basis.

Since the date of its incorporation, no financial statements of GFL have been prepared and GFL is not required by Cayman Islands law to do so.

#### **Dealers transacting with GIC**

In the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of GIC, GFL, or any of their respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with GIC routinely hedge their credit exposure to GIC consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuers' securities, including potentially a particular Tranche of Notes. Any such short positions could adversely affect future trading prices of the relevant Tranche of Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **GIC**

Gulf Investment Corporation G.S.C.  
P.O. Box 3402, Safat 13035  
Jaber al Mubarak Street, Sharq  
Kuwait

## **GIC Funding Limited**

c/o Maples Corporate Services Limited  
P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

## **DEALERS**

### **Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

### **Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### **Commerzbank Aktiengesellschaft**

Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Federal Republic of Germany

### **Credit Suisse Securities (Europe) Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

### **Gulf Investment Corporation G.S.C.**

P.O. Box 3402, Safat 13035  
Jaber al Mubarak Street, Sharq  
Kuwait

### **HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

### **Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

### **Mizuho International plc**

Bracken House  
One Friday Street  
London EC4M 9JA  
United Kingdom

### **Standard Chartered Bank**

P.O. Box 999  
Dubai  
United Arab Emirates

## **TRUSTEE**

### **HSBC Corporate Trustee Company (UK) Limited**

8 Canada Square  
London E14 5HQ  
United Kingdom

**PRINCIPAL PAYING AGENT, REGISTRAR AND CALCULATION AGENT**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**TRANSFER AGENT AND PAYING AGENT**

**Banque Internationale à Luxembourg, société anonyme**  
69, route d'Esch  
L-2953 Luxembourg

**LEGAL ADVISERS**

*To GIC as to English law:*

**Allen & Overy LLP**  
Level 2  
Gate Village Building GV08  
Dubai International Finance Centre  
P.O. Box 506678  
Dubai  
United Arab Emirates

*To GIC as to Kuwaiti law:*

**ASAR – Al Ruwayeh & Partners**  
Salhiya Complex, Gate 1, 3rd Floor  
P O Box 447, Safat 13005  
Kuwait

*To the Dealers as to English law:*

**Clifford Chance LLP**  
Level 2, Building 6  
The Gate Precinct  
Dubai International Financial Centre  
P.O. Box 9380  
Dubai  
United Arab Emirates

*To the Dealers as to Kuwaiti law:*

**The Law Office of Bader Saud Al-Bader & Partners**  
P.O. Box 64046  
Shuwaikh B  
Kuwait

*To GFL as to Cayman Islands law*

**Maples and Calder**  
The Exchange Building, 5<sup>th</sup> Floor  
Dubai International Financial Centre  
P.O. Box 119980  
Dubai  
United Arab Emirates

**AUDITORS TO GIC**

*Since 17 April 2014*

**KPMG Safi Al-Mutawa & Partners**  
P O Box 24, Safat 13001  
Kuwait

*Prior to 1 January 2014*

**Ernst & Young, Al Aiban, Al Osaimi & Partners**  
P.O. Box 74 Safat 13001  
Kuwait

**LISTING AGENT**

**Arthur Cox Listing Services Limited**

Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland