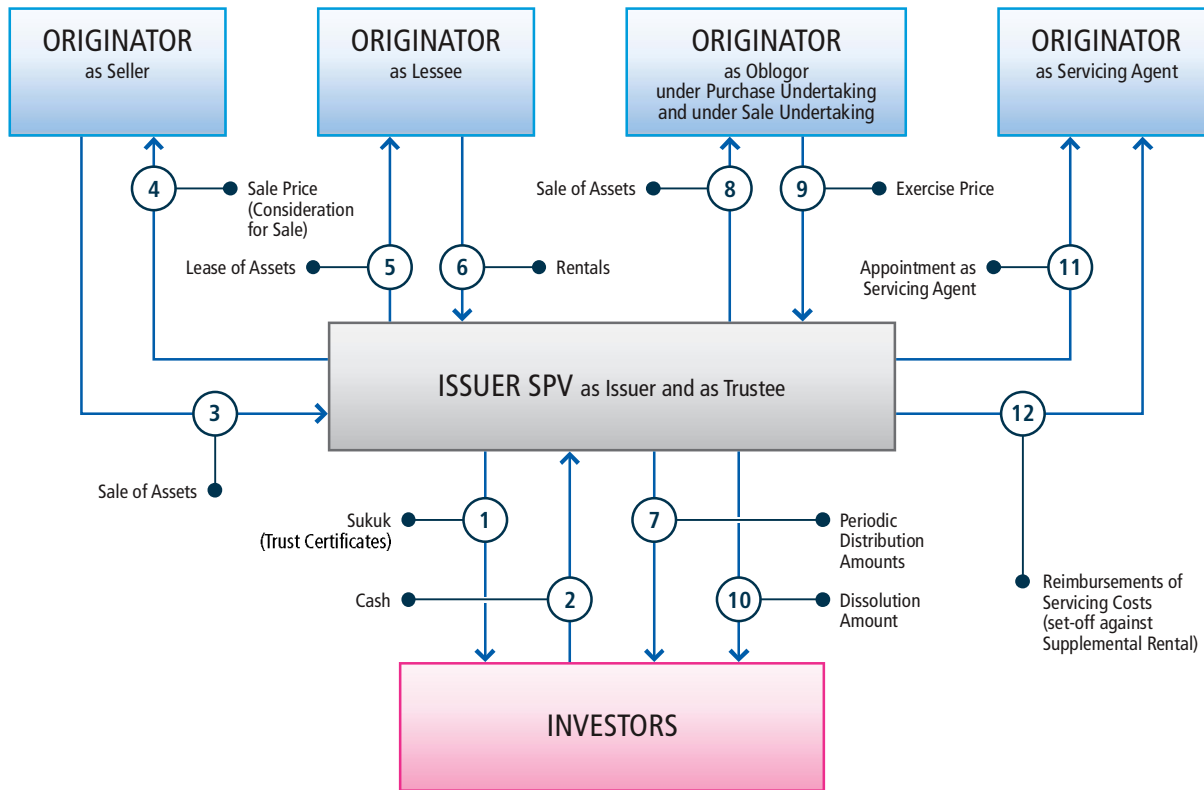


Figure 1: Structure of Sukuk al-Ijara



Overview of Structure

(Using the numbering from Figure 1 above)

1. Issuer SPV issues sukuk, which represent an undivided ownership interest in an underlying asset or transaction. They also represent a right against Issuer SPV to payment of the Periodic Distribution Amount and the Dissolution Amount.
2. The Investors subscribe for sukuk and pay the proceeds to Issuer SPV (the "Principal Amount"). Issuer SPV declares a trust over the proceeds (and any assets acquired using the proceeds – see paragraph 3 below) and thereby acts as Trustee on behalf of the Investors.
3. Originator enters into a sale and purchase arrangement with Trustee, pursuant to which Originator agrees to sell, and Trustee agrees to purchase, certain assets (the "Assets") from Originator.
4. Trustee pays the purchase price to Originator as consideration for its purchase of the Assets in an amount equal to the Principal Amount.
5. Trustee leases the Assets back to Originator under a lease arrangement (ijara) for a term that reflects the maturity of the sukuk.

6. Originator (as Lessee) makes Rental payments at regular intervals to Trustee (as Lessor). The amount of each Rental is equal to the Periodic Distribution Amount payable under the sukuk at that time. This amount may be calculated by reference to a fixed rate or variable rate (e.g. LIBOR or EIBOR) depending on the denomination of sukuk issued and subject to mutual agreement of the parties in advance.
7. Issuer SPV pays each Periodic Distribution Amount to the Investors using the Rental it has received from Originator.
8. Upon:
 - (i). an event of default or at maturity (at the option of Trustee under the Purchase Undertaking); or
 - (ii). the exercise of an optional call (if applicable to the sukuk) or the occurrence of a tax event (both at the option of Originator under the Sale Undertaking),

Trustee will sell, and Originator will buy-back, the Assets at the applicable Exercise Price, which will be equal to the Principal Amount plus any accrued but unpaid Periodic Distribution Amounts owing to the Investors.
9. Payment of Exercise Price by Originator (as Obligor).
10. Issuer SPV pays the Dissolution Amount to the Investors using the Exercise Price it has received from Originator.
- 11–12 Trustee and Originator will enter into a service agency agreement whereby Trustee will appoint Originator as its Servicing Agent to carry out certain of its obligations under the lease arrangement, namely the obligation to undertake any major maintenance, insurance (or takaful) and payment of taxes in connection with the Assets. To the extent that Originator (as Servicing Agent) claims any costs and expenses for performing these obligations (the “Servicing Costs”) the Rental for the subsequent lease period under the lease arrangement will be increased by an equivalent amount (a “Supplemental Rental”). This Supplemental Rental due from Originator (as Lessee) will be set off against the obligation of Trustee to pay the Servicing Costs.

Key Features of the Underlying Structure

Set out below is a summary of the basic requirements that should be considered when using ijara as the underlying structure for the issuance of sukuk:

- The consideration (Rentals) must be at an agreed rate and for an agreed period;
- The subject of the ijara must have a valuable use (i.e. things without a usufruct cannot be leased);
- The ownership of the asset(s) must remain with the Trustee and only the usufruct right may be transferred to the