

Private and Confidential

COMMODITY SALE LETTER OF UNDERSTANDING

Dated 22nd September 2014

**Kuveyt Türk Katılım Bankası A.Ş.
(as Seller)**

And

**Condor Trade Limited
(as Purchaser)**

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THIS LETTER OF UNDERSTANDING is made on 22nd September 2014 by and between:

Kuveyt Türk Katılım Bankası A.Ş., a joint stock company (*anonim şirket*) incorporated under the laws of Turkey with a business address at Büyükdere Cad. No: 129/1, 34394 Esentepe, Sisli, Istanbul Turkey, hereinafter the "**Seller**"; and

Condor Trade Limited, a company incorporated under the laws of England and Wales with a business address of Ground Floor, Victory Way, Admirals Park, Crossways, Dartford, Kent DA2 6QD, United Kingdom hereinafter called the "**Purchaser**".

IT IS AGREED as follows

1 Purpose and Definitions

1.1 Subject of Understanding This Letter of Understanding sets out the terms and conditions upon and subject to which the Seller may agree from time to time to enter into transactions for the sale of Commodities to the Purchaser.

1.2 Definitions

In this Letter of Understanding, unless the context otherwise requires

Business Day means a day (other than a Friday, Saturday or a Sunday) on which banks are open for business in Dubai, Istanbul, London and, in relation to a day on which payments are to be made under this Agreement, in New York.

Commodities means, the commodities listed in a Sale Transaction and which may comprise any Sharia compliant London Metal Exchange metals, platinum group metals (other than gold and silver) or other *Sharia* compliant commodities acceptable to the Seller and, in any event, will only include allocated commodities physically located outside of the United Kingdom..

Commodity Account means a commodity account maintained with DD&Co Limited of 8-10 Grosvenor Gardens London SW1W 0DH, held in the name of the Purchaser.

Commodity Purchase Price in relation to any Sale Transaction means the price inclusive of all or any rental, storage and insurance charges levies, duties, value added taxes, sales taxes or other similar charges payable by the Purchaser for the Commodities pursuant to such Sale Transaction.

Condor Account means the account held with the Seller in the name of the Purchaser

Electronic Signatures means signatures which comply with the provisions of The Electronic Signatures Regulations 2002 No. 318, under the Laws of England and Wales, and any statutory amendments thereafter.

Maturity Date has the same meaning given to it in the Murabaha Agreement.

Murabaha Agreement means the murabaha agreement dated on or about the date of this Letter of Understanding and made between Kuveyt Türk Katılım Bankası A.Ş. and KT Kira Sertifikaları Varlık Kiralama A.Ş.

Purchaser's Acceptance means a confirmation in the form set forth in Exhibit B to be sent by the Purchaser to the Seller acknowledging that the terms of the Seller's Offer are correct and agreeing to the same.

Sale Transaction means an agreement between the parties for the spot sale of Commodities constituted by the issue of Seller's Offer (Exhibit A) and the Purchaser's Acceptance (Exhibit B) and made pursuant to clause 2 hereof.

Seller's Offer means a confirmation set out in Exhibit A to be sent by the Seller to the Purchaser in respect of a Sale Transaction confirming the terms upon which the Seller will sell the Commodities to the Purchaser and containing, inter alia, details of the quantity, type and quality of the Commodities, the Commodity Purchase Price and Settlement Date.

Settlement Accounts means the accounts held in the name of the Seller.

Settlement Date in relation to any Sale Transaction means the date for payment of the Commodity Purchase Price in respect of such Sale Transaction being subject to clause 2.4 following the initiation of such Sale Transaction in accordance with clause 2.1.

Settlement Letter means the letter agreement between the Purchaser, the Seller and DD&Co Limited dated on or about the date of this Letter of Understanding.

- 1.3 Reference to clauses and exhibits are reference to clauses and exhibits of this Letter of Understanding.
- 1.4 The headings in this Letter of Understanding are for the purpose of reference only and shall be ignored in the interpretation of this Letter of Understanding.
- 1.5 For the avoidance of doubt, legal title to the commodities shall not pass until the Settlement Date. Payment of the Commodity Purchase Price shall be made on the Settlement Date in accordance with the Settlement Letter.

2 **Execution**

- 2.1 Whenever the Seller wishes to enter into a Sale Transaction subject to the conditions set forth in this Letter of Understanding, the Seller shall initiate telephone discussions with the Purchaser and thereafter it shall within one Business Day of such discussion submit a Seller's Offer to the Purchaser to sell the Commodities to the Purchaser specified in the Seller's Offer in accordance with the terms set forth in this Letter of Understanding and the terms set forth in the Seller's Offer. The Seller shall send to the Purchaser a Seller's Offer by facsimile or email in the form of Exhibit A.
- 2.2 The Seller's Offer once given shall remain open and irrevocable until 16.00 hours, London time, of the immediately succeeding Business Day of sending the Seller's Offer, (or such other later date and/or time as may be agreed by the parties).
- 2.3 If the Purchaser wishes to accept the Seller's Offer, it shall send to the Seller a Purchaser's Acceptance substantially in the form set out in Exhibit B and, by facsimile or email, a copy of the Purchaser's Acceptance prior to the expiration of the Seller's Offer as set forth in clause 2.2.
- 2.4 Subject to receipt by the Seller of the Purchaser's Acceptance on the proposed Settlement Date set forth in clause 2.3, the applicable Condor Account shall be debited with an amount

equal to the Commodity Purchase Price and such amount shall be then credited in the applicable Settlement Account, and the Seller shall arrange for the Commodity Account held with DD&Co Limited to be credited accordingly.

- 2.5** Subject to the provisions of this Letter of Understanding, the Seller and the Purchaser agree that the Exhibits and documents pertaining to this Letter of Understanding, which are sent by email, may be in Portable Document Format (“PDF”). This entitles both the Seller and the Purchaser to issue documents containing Electronic Signatures, in accordance with their latest list of Authorised Signatories.

3 Seller’s Representation

The Seller represents and covenants to the Purchaser that it has not created any charge or encumbrance and has not granted any third party rights over its interest in the Commodities which are the subject of a Sale Transaction created pursuant to clause 2.

4 Seller’s and Purchaser’s Representations and Covenants

4.1 Each of the Seller and the Purchaser represent and covenant that:

- (a) each has the legal capacity to enter into the arrangements set forth in this Letter of Understanding;
- (b) the execution by each of them of this Letter of Understanding and each document delivered by each of them pursuant to this Letter of Understanding is and will be duly authorised;
- (c) this Letter of Understanding and each Sale Transaction executed pursuant to this Letter of Understanding will be binding and enforceable against each of them (subject to, in case of the Seller, to applicable insolvency laws and principles of equity and any other general principles of law limiting its obligations which are referred to in any legal opinion provided as a condition precedent under the Murabaha Agreement); and
- (d) each of them has and will at all times maintain all authorisations, approvals, licenses, and consents required to enable each of them lawfully to perform their obligations under this Letter of Understanding.

4.2 The Purchaser represents and warrants to the Seller that it is an Associate Trade Member of the London Metal Exchange.

5 Transfer and Title

5.1 Subject to receipt by the respective parties of the documents referred to in clause 2.3, legal title to the Commodities subject of a Sale Transaction shall pass from the Seller to the Purchaser on the Settlement Date being subject to and conditional upon receipt by the Seller of the Commodity Purchase Price in the applicable Settlement Account.

5.2 Delivery of Commodities under each Sale Transaction shall be effected upon the Commodities being credited to the Commodity Account in accordance with the Seller’s instructions to DD&Co Limited of 8-10 Grosvenor Gardens London SW1W 0DH in the Netting Letter.

- 5.3** The Parties agree that the Commodities subject to any Sale Transaction under this Letter of Understanding shall be sold by the Seller and accepted by the Purchaser on “as is” and “where is” basis.
- 5.4** All payments to be made by the Purchaser pursuant to any Sale Transaction shall be made without any set-off or counterclaim, and in immediately available and transferable funds for value on the Settlement Date to the applicable Settlement Account.
- 5.5** All payments to be made by the Purchaser to the Seller shall be without deduction for any taxes, duties, charges or withholdings imposed, collected or assessed by any taxing authority unless the Purchaser is compelled by law to make any such deduction or withholding. In that event the Purchaser will ensure that such deduction or withholding does not exceed the minimum legal liability therefore and will pay to the appropriate authorities the amount deducted or withheld and supply a tax deduction certificate to the Seller and will in addition pay such further amounts as may be necessary in order that the net amounts received by the Seller after such deduction or withholding shall equal the amounts which would have been received in the absence of such deduction or withholding.

6 Settlement Accounts

Any Settlement Account may be changed upon delivery to the Purchaser of a certificate, seven Business Days in advance of the relevant Settlement Date, signed by two authorized signatories of the Seller designating a new bank account or accounts as the Settlement Account.

7 Additional Documentation

The Seller and the Purchaser shall each perform or execute all necessary acts, documents instructions or other actions as and when necessary to give effect to its obligations under or in connection with this Letter of Understanding.

8 Email and Facsimile Indemnity

- 8.1** The Seller is authorised, but not obliged to rely upon and act on all instructions and correspondence from the Purchaser transmitted by email or facsimile.
- 8.2** The Purchaser shall release the Seller from and indemnify and hold the Seller harmless from and against all actions, suits, proceedings, costs (including legal costs), claims, demands, charges, expenses, losses and liabilities however arising (unless due to the gross negligence or wilful default of the Seller) in consequence of, or in any way related to:
- (a) the Seller having acted in good faith in accordance with the Purchaser’s written email or facsimile instruction(s), notwithstanding that such instruction(s), as above have been initiated or transmitted in error or fraudulently altered, misunderstood or distorted in the lines of communication or transmission;
 - (b) the Seller having refrained from acting in accordance with the Purchaser’s written email or facsimile instruction(s) by reason of failure of either actual transmission thereof to the Seller or receipt by the Seller for whatever reason, whether connected with the fault, failure or unreadiness of the sending or receiving machine or otherwise; or
 - (c) the Purchaser’s failure to forward all original copies of email or facsimile instruction(s) to the Seller within such period as the Seller may specify.

9 Waiver

Any failure or delay on the part of a party in availing itself of any right or remedy it may have hereunder against the other shall not be deemed a waiver of such right or remedy and shall not preclude the subsequent exercise by such party of the same.

10 Partial Invalidity

If at any time any provision of a Sale Transaction or any other document executed pursuant to a Sale Transaction or this Letter of Understanding becomes legally invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, the validity or enforceability of the remaining provisions hereof or thereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

11 Assignment

The Seller shall be entitled to assign or transfer any of its rights, benefits, or obligations under this Letter of Understanding or under a Sale Transaction. The Purchaser shall not be entitled to assign or transfer any of its rights, benefits, or obligations under this Letter of Understanding or under a Sale Transaction without the prior consent of the Seller (which shall not unreasonably be withheld).

12 Notices

Except as provided elsewhere in this Understanding, any notice or other communication in connection with this Letter of Understanding shall be made in writing and may be delivered personally by courier, sent by email or facsimile transmission, or sent by certified or registered mail and shall be addressed to the intended recipient at its address or number as specified hereunder:

Condor Trade Limited

Ground Floor
Victory Way
Admirals Park, Crossways
Dartford
Kent
DA2 6QD
United Kingdom

Attention of: Ms. Dawn Southam
Fax No: +44 207 824 8948
Email: trading@condortrade.com

Kuveyt Türk Katılım Bankası A.Ş.

Buyukdere Cad. No: 129/1
34394 Esentepe
Sisli
Istanbul
Turkey

Attention: Mustafa Begun

Telephone No: +90 212 354 1048
Fax: +90 212 354 7523
Email: mustafa.begun@kuveytturk.com.tr

13 Confidentiality

This Letter of Understanding and the terms of the Sale Transactions conducted hereunder are confidential and shall not, without the written consent of the other party to this Letter of Understanding, be disclosed by the Seller or the Purchaser to any other person or entity, provided that the foregoing prohibition shall not apply to disclosures (i) made to the legal or financial advisors of any party hereto (ii) required by law or requested by regulatory authorities; (iii) made in connection with the enforcement of this Letter of Understanding; (iv) instructions given to third parties by the Seller for the delivery to the Purchaser of the Commodities purchased by the Purchaser pursuant to this Letter of Understanding; or (v) made in connection with the Murabaha Agreement.

14 Governing Law: Disputes

This Letter of Understanding shall be governed by and construed in accordance with English law and the parties hereto irrevocably submit to the exclusive jurisdiction of the English courts in order to resolve any dispute or disagreement arising under, or in connection with, this Letter of Understanding.

A person who is not a party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Letter of Understanding.

15 Counterparts and Entire Agreement

This Letter of Understanding may be executed in counterparts, each of which when executed and delivered shall be original, but all the counterparts together shall constitute one and the same instrument.

This Letter of Understanding, together with any letter between the parties relating to settlement instructions sets out the entire agreement between the parties and supersedes all previous agreements between the parties on the subject matter of this Letter of Understanding. The parties acknowledge that this Letter of Understanding shall apply to transactions between the Seller and Purchaser in connection with the Murabaha Agreement. For the avoidance of doubt, it shall not supersede any existing or future arrangements between the parties for transactions unconnected to the Murabaha Agreement.

16 Amendment and Termination

16.1 This Letter of Understanding may be amended by written agreement of both parties, delivered to each other in accordance with clause 12 above. This Letter of Understanding may be terminated by either the Purchaser or the Seller by giving three months prior written notice to the other in accordance with clause 12 above, but may not be terminated prior to the Maturity Date under the Murabaha Agreement.

16.2 The Seller may terminate this Letter of Understanding immediately upon giving notice, if in the opinion of the Seller:

- (a) the Purchaser is in breach of its obligations under this Letter of Understanding or any other document executed in relation to this Letter of Understanding; or
- (b) any winding up, liquidation, bankruptcy or administration proceedings are initiated against the Purchaser.

IN WITNESS whereof this Letter of Understanding has been duly executed by the parties hereto:

EXECUTION PAGE

Signed By)
On Behalf of)
Kuveyt Türk Katılım Bankası A.Ş.)

In the presence of)
Signature of Witness)
Address of Witness)
Occupation)

Signed By)
On Behalf of)
Condor Trade Limited)

In the presence of)
Signature of Witness)
Address of Witness)
Occupation)

EXHIBIT A

SELLER'S OFFER

Date: _____

To: Purchaser

From: Seller

Re: Commodity Purchase Letter of Understanding dated 22nd September 2014

We refer to the above-referenced Letter of Understanding (the capitalised terms used in this offer having the meanings specified in such letter) and hereby offer to sell to you the Commodities on the terms set forth below:

Purchase Terms

Seller: Kuveyt Türk Katılım Bankası A.Ş.

Purchaser: Condor Trade Limited

Seller's reference:

Commodities:

Holding certificate number:

Quantity:

Location:

Delivery:

On the Settlement Date, we shall arrange for the Commodities and Quantity stated above to be credited to your commodity account with DD&Co Limited

Commodity Purchase Price:

Settlement Date:

Payment:

On the Settlement Date the applicable Condor Account will be debited, and the applicable Settlement Account will be credited, as specified in the above referenced Letter of Understanding and in accordance with the Netting Letter with the Commodity Purchase Price stated above.

Our sale of the Commodities specified above to you shall be subject to the terms of the above-referenced Letter of Understanding. This offer shall remain open and be irrevocable until the close of business, London time, on [].

.....
Seller

EXHIBIT B

PURCHASER'S ACCEPTANCE

Date: _____

To: Seller

From: Purchaser

Re: Commodity Purchase Letter of Understanding dated 22nd September 2014

We refer to the above-referenced Letter of Understanding (the capitalised terms used in this acceptance having the meanings specified in such letter) and the Seller's Offer (the "**Seller's Offer**"), dated _____ 2014, from you to us, and hereby accept your offer to sell to us the Commodities described in the Seller's Offer on the terms specified therein, which terms are set forth below:

Purchase Terms

Seller:	Kuveyt Türk Katılım Bankası A.Ş.
Purchaser:	Condor Trade Limited
Seller's reference:	
Commodities:	
Holding certificate number:	
Quantity:	
Location:	
Delivery:	On the Settlement Date, kindly arrange for the Commodities in the Quantity stated above to be credited to our commodity account with DD&Co Limited
Commodity Purchase Price:	
Settlement Date:	
Payment:	We confirm that on the Settlement Date the applicable Condor Account will be debited, the applicable Settlement Account will be credited, with the Commodity Purchase Price as specified in the Seller's Offer and in accordance with the Netting Letter for the benefit of the Seller.

Our purchase from you of the Commodities specified above shall be subject to the terms of the above-referenced Letter of Understanding.

.....
Purchaser