

Private and Confidential

COMMODITY PURCHASE LETTER OF UNDERSTANDING

Dated 2014

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

and

**DD&Co Limited
(as Seller)**

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THIS LETTER OF UNDERSTANDING is made on

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, as agent for KT Kira Sertifikaları Varlık Kiralama A.Ş., hereinafter the "**Purchaser**"; and

DD&Co Limited, a company incorporated under the laws of England and Wales with registered office at 8-10 Grosvenor Gardens, London SW1W 0DH, United Kingdom hereinafter called the "**Seller**".

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 agrees 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 Letter of Understanding, 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 Purchaser and, in any event, will only include allocated commodities physically located outside of the United Kingdom.

Commodity Account means a commodity account maintained with the Seller and held in the name of the Purchaser.

Commodity Purchase Price in relation to a 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 that Sale Transaction.

DD Account means an account held with the Purchaser in the name of the Seller for the settlement of all monies owed by Purchaser in respect of any Sale Transaction.

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 has the meaning ascribed to it in clause 2.3 hereof.

Sale Transaction means an agreement between the parties for the spot purchase of Commodities constituted by the issue of Seller's Offer (Exhibit A) and the Purchaser's Acceptance 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 Purchaser will purchase from the Seller the Commodities and containing, inter alia, details of the quantity, type and quality of the Commodities, the Commodity Purchase Price and Settlement Date.

Settlement Date in relation to a Sale Transaction means the date for payment of the Commodity Purchase Price in respect of a Sale Transaction.

- 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 purpose of a Sale Transaction, the Commodities shall remain in the custody of the Seller as long as the Purchaser has title to it and the right of delivery.
- 1.6 The Seller will hold Commodities for the Purchaser on an allocated basis.

2 Execution

- 2.1 The Purchaser shall initiate telephonic discussions with the Seller and, thereafter the Seller shall within one Business Day of such discussion submit a Seller's Offer to the Purchaser to sell to the Purchaser Commodities specified in accordance with the terms set forth in this Letter of Understanding. 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, (or as such later time as may be agreed by the parties).
- 2.3 If the Purchaser wishes to accept the Seller's Offer, it shall countersign the Seller's Offer as prescribed therein (a "**Purchaser's Acceptance**") and send to the Seller, 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 Provided the Seller receives the Purchaser's Acceptance in accordance with clause 2.3 above on the proposed Settlement Date, the Seller shall, on such date, credit the Purchaser's Commodity Account held with it and the Purchaser shall, on the Settlement Date, credit the applicable DD Account with an amount equal to the Commodity Purchase Price.
- 2.5 Upon any resale by the Purchaser of such Commodities to any third party the Purchaser shall deliver to the Seller a certificate substantially in the form of Exhibit B to this Letter of Understanding.
- 2.6 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 Representations

The Seller represents and warrants that:

- (a) at the time of the sale of Commodities by the Seller to the Purchaser, the Seller shall be the owner of such Commodities, and have good and marketable title to the same, free from encumbrances and liens;
- (b) it has neither created nor will create any charge or encumbrance and has not granted and will not grant any third party rights over its interest in the Commodities which are the subject of a Sale Transaction created pursuant to clause 2;
- (c) all Commodities forming the subject of a Sale Transaction shall be warehoused outside the United Kingdom;
- (d) the Seller is an Associate Trade Member of the London Metal Exchange and Affiliate Member of the London Platinum and Palladium Market; and
- (e) it shall maintain a copy of the principal transaction documents evidencing each Sale Transaction. Such documents shall include a copy of the offer and acceptance communications (facsimiles/emails) between the parties or other written evidence of the Sale Transactions such as certificates, confirmations, contracts, copies of bills of lading, warrant listings, receipts or other title and/or security documents if and as applicable. The Purchaser shall have the right to copies of these documents from the Seller.

4 Email and Facsimile Indemnity

- 4.1** The Purchaser is authorised, but not obliged, to rely upon and act on all instructions and correspondences from the Seller transmitted by email or facsimile.
- 4.2** The Seller shall release the Purchaser from and indemnify and hold the Purchaser 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 Purchaser) in consequence of, or in any way related to:
 - (a) the Purchaser having acted in good faith in accordance with the Seller'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 Purchaser having refrained from acting in accordance with the Seller's written email or facsimile instruction(s) by reason of failure of either actual transmission thereof to the Purchaser or receipt by the Purchaser for whatever reason, whether connected with the fault, failure or unreadiness of the sending or receiving machine or otherwise; or
 - (c) the Seller's failure to forward all original copies of email or facsimile instruction(s) to the Purchaser within such period as the Purchaser may specify.

5 Seller's Buy Back Obligations

- 5.1** The Seller irrevocably and unconditionally undertakes and agrees to repurchase the Commodities that it has sold to the Purchaser under a Sale Transaction for an amount (the "**Option Price**") equal to the Commodity Purchase Price that it sold them to the Purchaser under that Sale Transaction, if requested to do so by the Purchaser by written notice to the Seller (an "**Exercise Notice**") within two (2) Business Days after the relevant Settlement Date. In the event that the Purchaser exercises the right (a "**Put Option**"), the Seller shall repurchase the Commodities immediately upon its receipt of the Exercise Notice and shall pay the Option Price to the Purchaser. The Seller hereby irrevocably and unconditionally authorises the Purchaser to set off the Option Price due from the Seller to the Purchaser against the Commodity Purchase Price due from the Purchaser to the Seller and to debit the Option Price to the DD Account held with the Purchaser.
- 5.2** The Purchaser hereby authorises and instructs the Seller to debit the Purchaser's Commodity Account (for the benefit of the Seller) with the Commodities that are the subject of an exercised Put Option. Upon giving such instructions to the Seller, the Purchaser shall be deemed to have been discharged from its delivery obligations in relation to the Commodities that are the subject of an exercised Put Option.

6 Seller's and Purchaser's Representations and Covenants

- 6.1** 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 generally applicable insolvency laws and principles of equity); 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.
- 6.2** The Seller undertakes to open and/or maintain (as applicable) the DD Accounts in accordance with the Purchaser's standard terms and conditions for such account.

7 DD Accounts

The DD Accounts may not be varied in any way unless otherwise mutually consented to by the Purchaser and the Seller (such consent not to be unreasonably withheld).

8 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. Upon the Purchaser's request, the Seller shall provide to the Purchaser all documents in the

Seller's possession necessary for the Purchaser to sell or transfer Commodities to any third party.

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 that 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 Purchaser shall be entitled to assign/novate its rights, benefits and obligations under this Letter of Understanding to any person to whom it assigns its rights and benefits pursuant to the Murabaha Agreement. The Seller 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 Purchaser (which shall not unreasonably be withheld).

12 Notices

Except as provided elsewhere in this Letter of 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:

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

DD&Co Limited

8-10 Grosvenor Gardens
London SW1W 0DH
United Kingdom

Attention: Lawrence Oliver, Director
Telephone No: + 44 20 7863 1250 / +44 207 7863 1260
Fax No: + 44 207 663 5462
Email: clientrelations@ddcap.co.uk

13 Confidentiality

This Letter of Understanding and the terms of all Commodities 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; or (iv) made in connection with the sale by the Purchaser of Commodities purchased pursuant to this Letter of Understanding to any third party; 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 resolve any dispute or disagreement arising under, or in connection with, this Letter of Understanding.

A person who is not a party to this Letter of Understanding 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 Seller or the Purchaser 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 Purchaser may terminate this Letter of Understanding immediately upon giving notice, if in the opinion of the Purchaser:

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

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)
DD&Co 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 [] 2014

We refer to the above-referenced Letter of Understanding (the capitalised terms used in this offer having the meanings specified in such Letter of Understanding) and the purchase request received from you, and hereby offer to sell to you the Commodities described in the Purchaser's request on the terms specified therein, which terms are as follows:

Purchase Terms

Seller:	DD&Co Limited
Purchaser:	Kuveyt Türk Katılım Bankası A.Ş. as agent for KT Kira Sertifikaları Varlık Kiralama A.Ş.
Seller's reference:	
Ticket No.:	
Commodities (Metals):	
Quantity:	
Location:	
Commodity Purchase Price:	
Settlement Date:	
Payment:	On the Settlement Date you shall credit the DD Account with the Commodity Purchase Price stated above.
Delivery:	On the Settlement Date, we shall credit your commodity account with us for the Commodities and Quantity 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 16:00 hours, London time, on the Business Day immediately succeeding the date of this offer.

.....
Seller

PURCHASER'S ACCEPTANCE

We hereby accept your offer to sell to us the Commodities described in the Seller's Offer on the terms specified therein.

Kuveyt Türk Katılım Bankası A.Ş.

By: _____
Name:
Title:

EXHIBIT B
NOTICE OF SALE

Date: _____

To: Seller

From: Purchaser

Re: Commodity Purchase Letter of Understanding dated [] 2014

We refer to the above-referenced Letter of Understanding (the capitalised terms used in this notification having the meanings specified in such Letter of Understanding), the Seller's Offer (the "***Seller's Offer***"), dated [] 2014, from you to us, and the Purchaser's Acceptance (the "***Purchaser's Acceptance***"), dated [] 2014, from us to you, and pursuant to Section 2.5 of the Letter of Understanding hereby notify you that we have sold the Commodities purchased from you pursuant to the Letter, the Seller's Offer and the Purchaser's Acceptance in accordance with the following terms:

Purchase Terms

Seller:	Kuveyt Türk Katılım Bankası A.Ş.
New Purchaser:	
Seller's reference:	
Commodities (Metals):	
Holding certificate number:	
Quantity:	
Location:	
Delivery:	Credit to New Purchaser's Commodity Account maintained with you (account number _____), debit of our Commodity Account maintained with you (account number _____), for the Commodities and Quantity stated above.

Value Date:

Please update your Commodity Account records in accordance with the information set forth above.

.....
Kuveyt Türk Katılım Bankası A.Ş.