Exhibit II-1

THE SLURRY PIPELINE
revolution

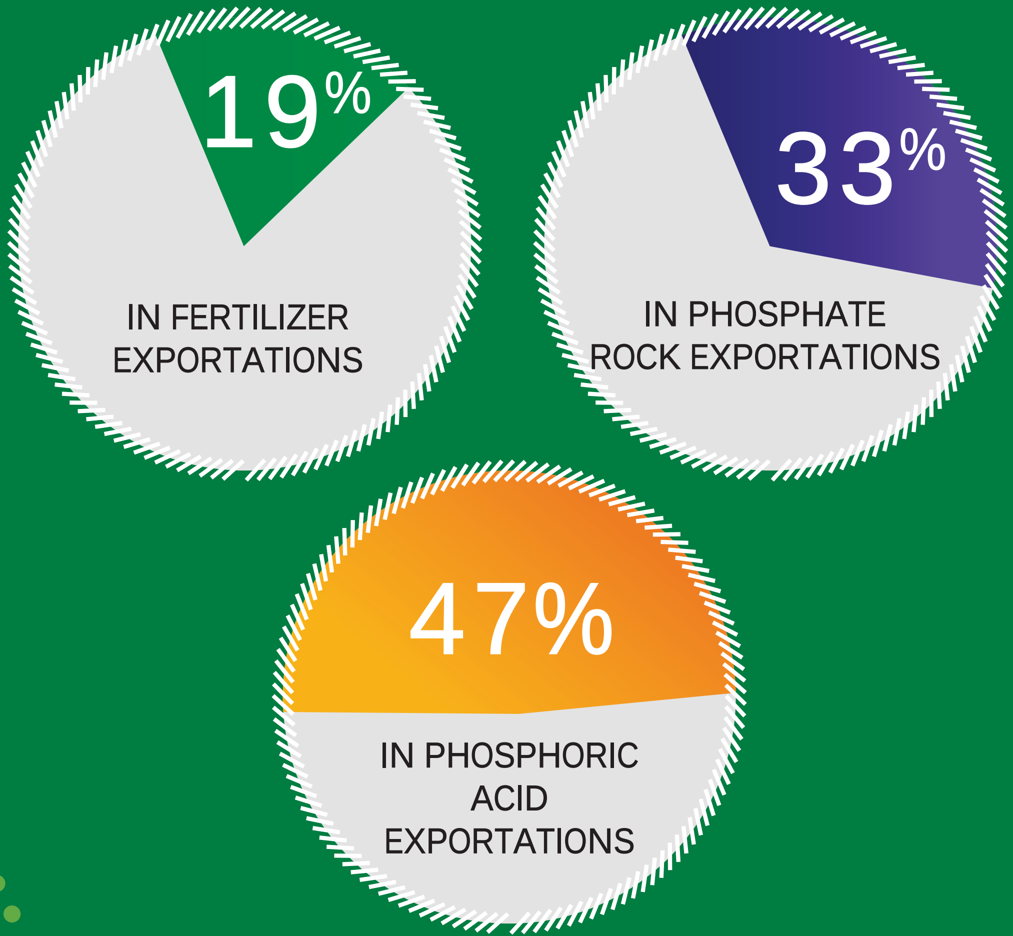
The world's largest phophate reserves formed around 70 million years ago

The Moroccan phosphate deposits, of sedimentary type, formed about 70 million years ago.

OCP has exclusive access to Morocco's phosphate reserves, the world's largest*. The Group extracts a wide variety of rocks of different grades and produces a wide-ranging portfolio of products.

* according to US Geological Survey

El Halassa mine in Khouribga



GLOBAL MARKET SHARES*

*OCP & IFA, 2013

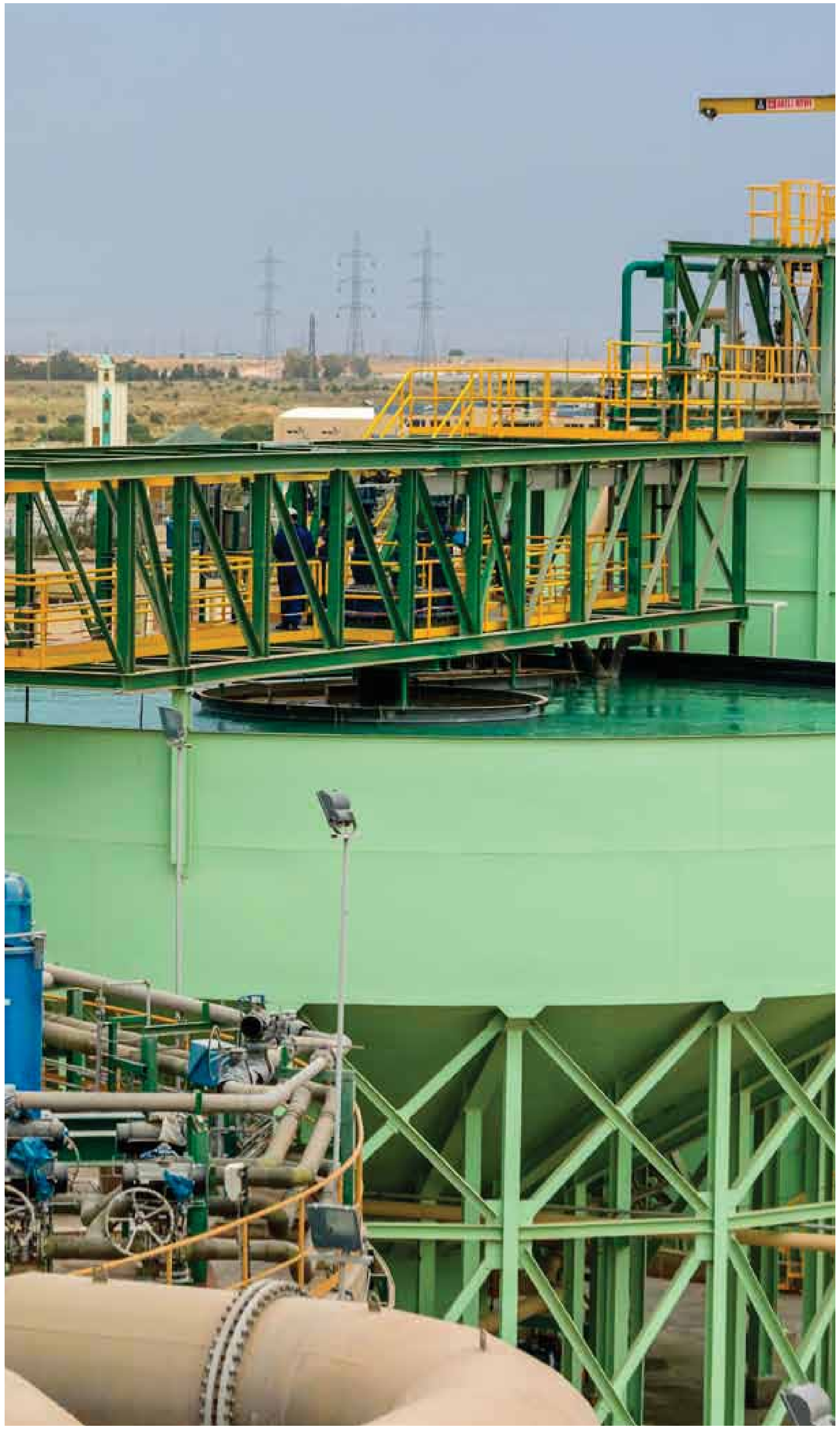
OCP, WORLD LEADER IN THE PHOSPHATE INDUSTRY

With exclusive access to the world's largest phosphate reserves, OCP maintains its position as the world leader in the phosphate industry, including phosphate rock, phosphoric acid and phosphate fertilizer. Fully integrated, the Group is engaged at each stage of the value chain, from mining to processing to the sale of phosphate products.

Boasting major industrial plants designed according to the best international standards in processes, technologies and industrial tools, OCP produces close to 28 million tons of phosphate rock, 3 million tons of P_2O_5 phosphoric acid and 4 million tons of fertilizer (MAP, DAP...).

Moreover, its appropriately tailored organization has allowed this global leader to export more than 28% of phosphate in all its forms, with mining capacities exceeding 34 million tons per year.

Thus, with almost a 100-years experience in industrial development, the Group has successfully confirmed its unique positioning and unequaled flexibility in a highly-specialized and complex industry.



The first integrated fertilizer production unit - Jorf Lasfar

145 BILLION MAD WILL BE INVESTED BY 2025

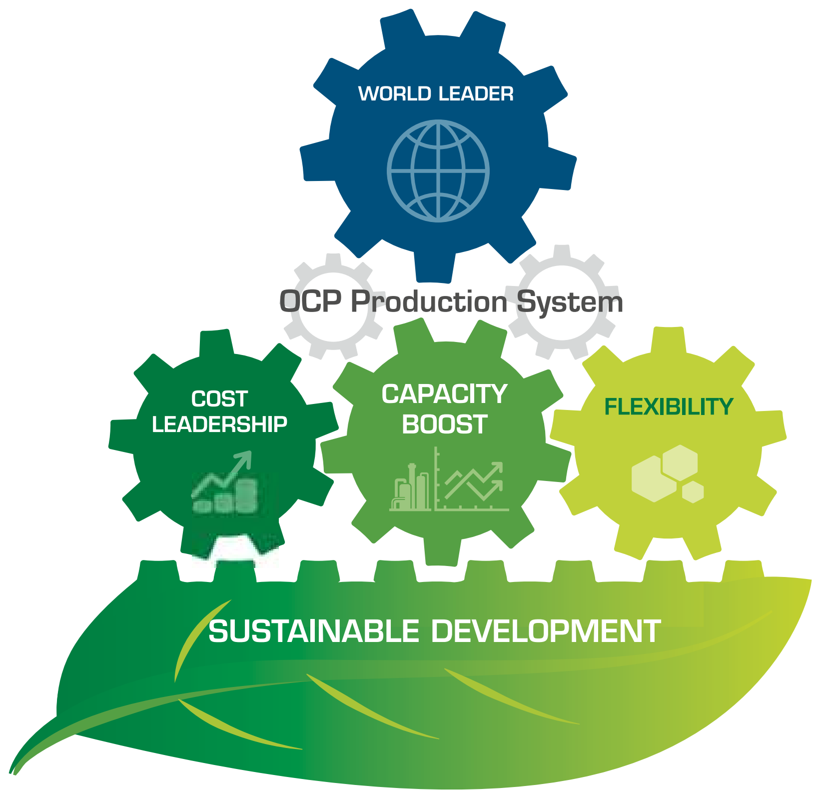
In order to meet the world's growing agricultural needs in phosphate and fertilizing solutions, the Group has initiated in 2008 a historical turning point with the rollout of a new comprehensive Industrial Transformation Strategy.

This revolutionary process, requiring a 145 billion MAD investment for the whole program, prerequisites a radical transformation in the Group's 23,000 employees working, operating, and behaving modes.

Hence, the ultimate objective of doubling the extraction capacity of the mines and tripling the processing capacity by 2025 will allow the Group to achieve another change in the scale. It will also help enhance the production capacity of phosphates and fertilizers, optimize cost effectiveness, invest in R&D and reinforce the World Class leadership of the Group by combining performance and industrial development.

In order to achieve this ambitious strategy, OCP introduced in 2008 a new era of industrial development by launching mega-projects on the Group's different operating plants.

Being a true technological exploit, the industrial development program is announcing in-depth transformation of both the production tools and industry practices.



THE SLURRY PIPELINE AT THE VERY HEART OF THE TRANSFORMATION PROCESS

The world's largest transport capacity

38

million tons capacity of transporting phosphates per year

as compared to 18 million tons before

98%

availability rate

90cm

the Slurry Pipeline with the largest diameter

235KM

total length including the main pipeline and the secondary pipelines

4.5

billion dirhams

in overall investments

3 million m^3

of water saved every year thanks to rock's natural moisture retention capability

90%

reduction of logistic costs

Reductions in CO_2 emissions

930 000

Tons / year

Exhibit II-2

I. C. 6266 May, 1930

DEPARTMENT OF COMMERCE

UNITED STATES BUREAU OF MINES
SCOTT TURNER, DIRECTOR

INFORMATION CIRCULAR

MINING LAWS OF FRENCH MOROCCO

BY

E. P. YOUNGMAN

INFORMATION CIRCULAR

DEPARTMENT OF COMMERCE--BUREAU OF MINES

MINING LAWS OF FRENCH MOROCCO[1]

By E. P. Youngman[2]

PREFATORY NOTE

This paper presents one of a series of digests of foreign mining legislation and court decisions that is being prepared in advance of a general report relative to the rights of American citizens to explore for minerals and to own and operate mines in various foreign countries. This interpretation of the mining legislation of French Morocco was prepared from a translation of the law made by Robert R. Bradford, American consul, Casablanca, Morocco, and submitted through the courtesy of the Department of State.

INTRODUCTION

The basic mining law of French Morocco is the Edict of 1914, "Dahir of January 19, 1914, for the Regulation of Mineral Prospecting and Exploitation in the Zone of the French Protectorate of the Cherifien Empire," which, as the preamble states, was promulgated at the instance of the Director General of Public Works, in consideration of the fact that mines constitute one of the sources of wealth of the Empire.

According to a consular report, dated May 18, 1923, by Bradford, mentioned above, the mining industry of that country, aside from the exploitation of the extensive phosphate deposits, can scarcely be said to exist, but the potential field for mining is promising. However, no large-scale exploitation of the mineral wealth of French Morocco can be hoped for until there is complete pacification of large areas that are still in an unsubdued state or until adequate transportation facilities, scientific prospecting, and large investments of capital are assured.

An edict in 1920 (Dahir of January 27, 1920) modified the law mentioned above by declaring the prospecting for and the exploitation of phosphates to be exclusively reserved to the Government. The Dahir of August 7, 1920, announced the creation of the Cherifien Phosphate Office (Office Cherifien des Phosphates), a State monopoly charged with the exploration, management, and exploitation of the phosphates of Morocco.

1. The Bureau of Mines will welcome the reprinting of this paper, provided the following footnote acknowledgment is used: "Reprinted from U. S. Bureau of Mines Information Circular 6266."
2. Rare metals and nonmetals division.

Right of a Concessionaire to Mineral Substances

An exploitation permit confers upon its holder the right to dispose freely of all mineral substances extracted within the boundaries of the concession, as well as the right to carry out all operations considered necessary for exploitation of the substances classed under mines. (Art. 30.)

SPECIAL REGULATIONS CONCERNING NITRATES, ETC.

The special regulations governing nitrates, rock salt and other allied salts, and springs and saline waters, embodied in article 51, are briefly as follows:

1. Exploitation permits do not follow the prospecting permits for substances mentioned in the foregoing paragraph. Those substances may be exploited only by public adjudication within the boundaries and during the period stipulated in the specifications accompanying the adjudication.

2. The adjudication involves the payment by the purchaser of a special assessment, in addition to the regular taxes.

3. The specifications may require the "purchaser to construct or exploit, during the period of the adjudication, land and water communications, which may serve for public use," under certain conditions.

4. Prospectors, supplied with permits, that discover within their boundaries new deposits of exploitable nitrates are entitled to a fifth of the special assessment paid by the purchaser, for a period of 15 years.

5. Prospectors are not entitled to an indemnity, no matter how long the adjudication is delayed, and they may make no claim in connection with the wording of the specifications.

6. The adjudication does not prevent any person having previously acquired rights in the area adjudicated from prospecting for or exploiting substances other than those that are the subject of the adjudication.

7. The Government reserves to itself the right to exploit the salt mines, with due regard to the general provisions relative to prospecting and exploiting. (Art. 51.)

GOVERNMENT MONOPLY

As indicated on page 1, phosphates, which formerly were included in the regulations governing nitrates, were declared the subject of a State monoply by the Edict of January 27, 1920. Article 2 of this edict reads as follows: "Prospecting for and exploitation of phosphates are exclusively reserved to the Government."

By the Edict of August 7, 1920, the Cherifien Phosphate Office was established, charged with the exploration, management, and exploitation of the phosphates of Morocco. (Art. 1.)

RIGHTS AND DUTIES OF PROSPECTORS AND EXPLOITERS

The prospector or the exploiter has the right to use any substance classed under quarries that he may uncover for the exclusive service of his undertaking, without being liable to the owner of the ground. (Art. 37.) He has the right to occupy temporarily whatever ground (either within or without the limits of his own boundaries) the Bureau of Mines may declare to be necessary for the carrying on of the prospecting or mining projects. (Arts. 39 and 40.) He is not entitled, however, to timber (wood or other vegetal products) nor to any money or other treasures that he may uncover nor to surface waters; he may use water for his own underground workings on condition that he assure the flow when his need for it has ceased. (Art. 38.)

Article 42 sets forth the conditions relative to the use by the public of different facilities established by the concessionaire for the service of the mine. Article 34 fixes the limits of prospecting and exploitation zones with respect to villages, ways of communication, and public and private buildings. Article 35 provides for the establishment of protection boundaries for springs, the ways of communication, and buildings, previously mentioned, as well as for all points necessary for military defense; within these boundaries prospectors and exploiters may claim damage only for those works that they may be forced to demolish or abandon. Article 36 states that holders of permits can not prevent the installation of works of public utility within the boundaries covered by the permits nor the exploitation of quarries necessary to these works. Article 43 gives permission for the formation of syndicates by concessionaires of adjoining properties for the establishment and utilization of transportation and like services.

ADMINISTRATIVE CONTROL

The "Service des Mines" (Bureau of Mines) is the authority charged with the execution of the mining law (Edict of 1914) and with the establishment of police and safety regulations. (Art. 48.)

The prospector and the exploiter must grant to all officials and agents of the Bureau of Mines free access to their properties; the exploiter must furnish the officials or agents with every possible aid in their inspections or investigations and must lay before them, if they desire it, plans of the mine workings and the registers that they are required to maintain with respect to the amount of ore mined and the labor employed. (Art. 49.)

"With respect to matters not touched upon in the present dahir (Edict of 1914), prospectors and exploiters are subject to the regulations arrived at, or to be arrived at, in the Protectorate, with reservations regarding international law and the treaties." (Art. 57.)

Exhibit II-3

OCP S.A.

SUMMARY OF THE FINAL PROSPECTUS

Perpetual subordinated bond issue with redemption options and interest deferral
Maximum issuance amount: MAD 5 billion

	Tranche A Unlisted	Tranche B Listed	Tranche C Unlisted	Tranche D Listed	Tranche E Unlisted	Tranche F Listed
Maximum amount	MAD 5 000 000 000 (five billion)					
Maximum No of notes	50 000 perpetual subordinated notes					
Nominal value	MAD 100 000					
Interest Rate	10-year resettable In reference to the 10-year rate based on the primary market Treasury bond yield curve as at 31 October 2016, i.e **3.07%,** for the first 10 years, increased by a risk premium, i.e between **3,77%** and **4,27%** for the first 10 years.		Annually resettable In reference to the 52-week rate based on the primary market Treasury bond yield curve (money market base) as at 21 November 2016, i.e **2,28%,** for the first year, increased by a risk premium, i.e between **2,98%** and **3,48%** for the first year.		5-year resettable In reference to the 5-year rate based on the primary market Treasury bond yield curve as at 14 November 2016, i.e **2,67%,** increased by a risk premium, i.e between **3,37%** and **3,87%** for the first 5 years.	
Risk Premium	Between **70** and **120** bps					
Maturity	Perpetual					
1st optional redemption date	23 December 2026					
Tradability	Over-the-counter	Casablanca Stock exchange	Over-the-counter	Casablanca Stock exchange	Over-the-counter	Casablanca Stock exchange
Step-up	From 23 December 2026 : a step-up of **+25** basis points From December 2046: an additional step-up of **+75** basis points					
Allocation method	French method without prioritization amongst the tranches					

SUBSCRIPTION PERIOD: FROM 14-16 DECEMBER 2016 INCLUDED
(POSSIBLE EARLY CLOSING OF THE SUBSCRIPTION PERIOD ON 15 DECEMBER 2016)

The subscription is limited to qualified investors under Moroccan law, as listed in the present Prospectus

Trading on the secondary market is strictly limited to qualified investors listed in the present Prospectus, and prohibited in the United States, or to a United States resident

Financial Advisor and Global Coordinator	Placement Agent	Custodian	Entity in charge of the registration of the transaction with the Casablanca Stock Exchange
CDG CAPITAL GROUPE CDG	CDG CAPITAL GROUPE CDG	CDG CAPITAL GROUPE CDG	CDG CAPITAL BOURSE

FINAL VISA OF THE MOROCCAN CAPITAL MARKET AUTHORITY

In accordance with the provisions of the AMMC's circular, taken pursuant to Article 14 of the Dahir No. 1- 93- 212 dated September 21st, 1993 as amended and supplemented, the original of the present final prospectus has been approved by the AMMC on 9th December 2016 under the reference n° VI/EM/031/2016/D

The present final prospectus completes and replaces the preliminary prospectus approved by the AMMC on 28 November, 2016 under the reference n° VI/EM/031/2016/P.

DISCLAIMER

The Moroccan Capital Markets Authority (AMMC) has approved on 8 December 2016 a prospectus relative to a subordinated bond issuance by OCP SA.

The prospectus approved by the AMMC is available at any time at the headquarters of OCP and can be provided by its financial advisor CDG Capital.

The prospectus is also publicly available at the Casablanca Stock Exchange headquarters and on its website (www.casablanca-bourse.com). It is also available for download on the website of the AMMC (www.ammc.ma).

PART I. PRESENTATION OF THE OFFERING

I. CHARACTERISTICS OF THE TRANSACTION

Warning:

A subordinated note differs from a classic bond in terms of the ranking of the claims defined contractually by the subordination clause. The effect of the subordination clause is to condition the repayment of the notes, in the event of the issuer's liquidation, to that of all preferred and unsecured creditors. The principal and interest on the notes represent subordinated commitments of the lowest ranking, and are and will be senior only to the Issuer's equity.

Tranche A: 10-year resettable rate perpetual subordinated unlisted notes, with a first redemption option at year 10

Description of the Securities	Subordinated notes unlisted and dematerialized through registration with Maroclear, the central securities depositary, and registered in an account with authorized affiliates.
Type of Securities	Notes
Legal Form	Bearer notes
Tranche Size	Five (5) billion MAD
Maximum Number of Securities to be Issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription Price	At par, ie MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 10, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Event"**).
Interest Rate Type	Resettable rate
Subscription Period	From 14 December to 16 December 2016 included with a possible early closing of the subscription period on 15 December 2016 at 3.30 pm
Entitlement Date	23 December 2016
First Redemption Option Date	23 December 2026 (**Entitlement Date** + 10 years)

Interest Rate Reset Date(s)	23 December 2026 (**Entitlement Date** + 10 years) included and thereafter every 10 years
Allocation Method	French method without prioritization amongst the tranches
Nominal Interest Rate	Before and excluding the **First Redemption Option Date,** the **Nominal Interest Rate** is based on a calculated rate with reference to the 10 years Treasury bond yield on the primary market as at 31 October 2016, i.e 3.07% plus a risk premium between [70;120] basis points as set after the auction. For the first 10 years, the nominal interest rate ranges between [3,77%; 4,27%]. Starting and including the **First Redemption Option Date,** and at each **Interest Rate Reset Date**, the interest rate will be reset to a new rate calculated or observed during the last Treasury bonds auction, 5 trading days prior to the coupon anniversary date, on the basis of the 10 years Treasury bonds yield on the primary market, plus a risk premium between [70;120] basis points, and the **Applicable Step Up.** In case of non-adjudication during that auction, the used interest rate shall be the granted rate during the prior auction. In case of non-adjudication during the last 2 auctions of 10 years Treasury bonds preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 10 years Treasury bonds yield curve on the secondary market, as published by Bank Al-Maghrib 5 trading days prior to the coupon anniversary date. The new **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. In case the 10 years Treasury bond rate is not directly observable on the yield curve, the 10 years Treasury bond reference will be based on the linear interpolation method using two points around the full 10 years maturity (actuarial basis).
Coupon Payment Date(s)	Annually at the anniversary of the notes' **Entitlement Date,** ie 23 December of each year, or on the 1st business day following this date if it is not a business day.. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between [70;120] basis points
Applicable Step-up	▪ Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium**. ▪ From and including 23 December 2026 (**Entitlement Date** + 10 years), a first step-up of 25 basis points shall be added to the **Risk Premium**. ▪ From and including 23 December 2046 (**Entitlement Date** + 30 years), an additional step-up of 75 basis points shall

	apply.
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of : (i) **Base Coupon** ; and (ii) **Interest Account**
Base Coupon	**C = T x P x J/365 or 366 (in the case of a leap year)** ▪ C : Base coupon ▪ P : Principal ▪ T : Nominal Interest Rate ▪ J : Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the following **Coupon Payment Dates,** means the product of**:** (i) **Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+ **Nominal Interest Rate** applicable for the period x J/365 or 366 (in the case of a leap year))
Coupon Payment	The **Payable Coupon** shall be paid annually at each anniversary date of the **Entitlement Date** of the notes, ie 23 December of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole, but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases of Coupon Deferral	**Deferral of the Coupon at the issuer's discretion** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to the note holders at least **30 business days** before that date, through the **Centralizing Body and Custodian,** the **Representative of the Note Holders ,** the AMMC and after a publication by the Issuer of a notice in a legal announcements newspaper, to defer the payment in whole but not in part of the **Payable Coupon** for all the tranches from A to F. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration.**
Restriction on *Parri Passu* and Junior Tranches Remuneration	If the issuer, at its own discretion, elects to differ the payment of a **Payable Coupon,** the issuer will not be entitled to: - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.

Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Interest Rate Reset Date**, the Issuer may, subject to a prior notice to the **Representative of the Note Holders,** the **Centralizing Body and Custodian,** the AMMC and through a publication of a notice in a legal announcements newspaper at least **30 calendar days** before that date**,** redeem the notes in whole, but not in part, at their principal amount, together with the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable. Any optional redemption of the present tranche A systematically triggers the full redemption of tranches A and B.
Other Optional Early Redemption Event	The Issuer may, subject to a prior written notice with acknowledgement of receipt of at least **30 calendar days** to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC and through a publication of a notice in a legal announcements newspaper, redeem the Issue in whole, but not in part, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date if the following event occurs: - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment or a change has occurred regarding the **Equity Content** criteria of such rating agency, which amendment or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the date at which the **Equity Content** is assigned for the first time (a **"Rating Methodology Event"**)
Equity Content	The portion of the Issue incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, and provided the issue contracts allow it, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured, direct commitments. They are subordinated with the lowest ranking, and are and shall be senior solely to the Issuer's ordinary shares.

Guarantee	This issue is unsecured
Notes Tradability	The notes are tradable over-the-counter only between qualified investors as listed in Part 2. IV of the Prospectus. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.
Payment of the Notes in the Event of the Liquidation of the Issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or to sell off the business as a whole following a legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made according to the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interests (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than securities ranking *pari-passu*) have been paid in full. This means that: ▪ unsubordinated creditors under the Issuer's unsubordinated obligations; ▪ ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 4 October 2016, to designate the firm **HDID Consultants,** represented by **Mr. Mohamed HDID**, acting as managing partner, 294 Bd Yacoub Mansour Etage 4 n°15 Casablanca, as the interim representative of Tranche A note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche A notes, and that the appointed interim representative is identical for Tranches A and B, that are gathered in a single and same note holders group. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period, in order to designate the permanent representative. The identity of this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to CDG Capital as the centralizing body and custodian, in charge of the notes' financial servicing.

Tranche B: 10-year resettable rate perpetual subordinated notes listed on the Casablanca Stock Exchange, with a first redemption option at year 10

Description of the Securities	Subordinated notes listed on the Casablanca Stock Exchange dematerialized through registration with Maroclear, the central securities depositary, and registered in an account with authorized affiliates.
Type of Securities	Notes
Legal Form	Bearer notes
Tranche Size	Five (5) billion MAD
Maximum Number of Securities to be Issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription Price	At par, ie MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 10, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Events"**).
Interest Rate Type	Resettable
Subscription Period	From 14 December to 16 December 2016 included with a possible early closing of the subscription period on 15 December 2016 at 3.30 pm
Entitlement Date	23 December 2016
First Redemption Option Date	23 December 2026 **(Entitlement Date** + 10 years)
Interest Rate Reset Date(s)	23 December 2026 (**Entitlement Date** + 10 years) included and thereafter every 10 years.
Allocation Method	French method without prioritization amongst the tranches
Nominal Interest Rate	Before and excluding the **First Redemption Option Date,** the **Nominal Interest Rate** is based on a calculated rate with reference to the 10 years Treasury bond yield on the primary

	market as at 31 October 2016, i.e 3.07% plus a risk premium between [70;120] basis points as set after the auction. For the first 10 years, the nominal interest rate ranges between [3,77%; 4,27%]. Starting and including the **First Redemption Option Date,** and at each **Interest Rate Reset Date**, the interest rate will be reset to a new rate calculated or observed during the last Treasury bonds auction, 5 trading days prior to the coupon anniversary date, on the basis of the 10 years Treasury bonds yield on the primary market, plus a risk premium between [70;120] basis points, and the **Applicable Step Up.** In case of non-adjudication during that auction, the used interest rate shall be the granted rate during the prior auction. In case of non-adjudication during the last 2 auctions of 10 years Treasury bonds preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 10 years Treasury bonds yield curve on the secondary market, as published by Bank Al-Maghrib 5 trading days prior to the coupon anniversary date. The new **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. In case the 10 years Treasury bond rate is not directly observable on the yield curve, the 10 years Treasury bond reference will be based on the linear interpolation method using two points around the full 10 years maturity (actuarial basis).
Coupon Payment Date	Annually at the anniversary of the notes' **Entitlement Date,** ie 23 December of each year, or on the 1st business day following this date if it is not a business day. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between [70;120] basis points
Applicable Step-up	▪ Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium**. ▪ From and including 23 December 2026 (**Entitlement Date** + 10 years), a first step-up of 25 basis points shall be added to the **Risk Premium.** ▪ From and including 23 December 2046 (**Entitlement Date**), or the next business day if this date is not a business day, an additional step-up of 75 basis points shall apply.
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of : (i) **Base Coupon** ; and (ii) **Interest Account**
Base Coupon	**C = T x P x J/365 or 366 (in the case of a leap year)**

	▪ C : Base coupon ▪ P : Principal ▪ T : Nominal Interest Rate ▪ J : Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the following **Coupon Payment Dates,** means the product of**:** (i) **Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+ **Nominal Interest Rate** applicable for the period x J/365 or 366 (in the case of a leap year))
Coupon Payment	The **Payable Coupon** shall be paid annually at each anniversary date of the **Entitlement Date** of the notes, ie 23 December of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole, but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases of Coupon Deferral	**Deferral of the Coupon at the issuer's discretion** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to the note holders at least **30 business days** before that date, through the **Centralizing Body and Custodian,** the **Note Holders Representative,** the AMMC, the Casablanca Stock Exchange, and after a publication by the Issuer of a notice in a legal announcements newspaper, to defer the payment, in whole but not in part of the **Payable Coupon** for all tranches from A to F. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Restriction on *Parri-Passu* and Junior Tranches Remuneration	If the issuer, at its own discretion, elects to differ the payment of a **Payable Coupon,** the issuer will not be entitled to: - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Interest Rate Reset Date**, the Issuer may, subject to a prior notice to the **Representative of the Note Holders,** the **Centralizing Body and Custodian,** the AMMC, the Casablanca Stock Exchange and a publication of a notice in a legal announcements newspaper at least a **30 calendar days** before that date**,** redeem the notes in whole, but not in part, at

	their principal amount, together with the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable. Any optional redemption of the present tranche B systematically triggers the full redemption of tranches A and B.
Other Optional Early Redemption Event	The Issuer may, subject to a prior written notice with acknowledgement of receipt of at least a **30 calendar days** to the **Representative of the Note Holders** to the **Centralizing Body and Custodian,** to the AMMC, to the Casablanca Stock Exchange and a publication of a notice in a legal announcements newspaper, redeem the Issue in whole, but not in part, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date if the following event occurs: - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment or a change has occurred regarding the **Equity Content** criteria of such rating agency, which amendment or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the date at which the **Equity Content** is assigned for the first time (a **"Rating Methodology Event"**)
Equity Content	The portion of the Issue incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, and provided the issue contracts allow it, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured direct commitments. They are subordinated with the lowest ranking and are and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is unsecured
Notes Tradability	The notes are tradable on the Casablanca Stock Exchange, only between qualified investors as listed in Part 2. IV of the Prospectus. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.

Payment of the Notes in the Event of the Liquidation of the Issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or to sell off the business as a whole following a legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made according to the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interests (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than securities ranking *pari-passu*) have been paid in full. This means that: ▪ unsubordinated creditors under the Issuer's unsubordinated obligations; ▪ ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Securities Listing	Tranche B notes will be listed on the Casablanca Stock Exchange and will be subject to an application for admission to the fixed-income compartment of the Casablanca Stock Exchange. Their listing date on this compartment is scheduled for 20 December 2016 under the Ticker OOCPB, in order to be listed on the Casablanca Stock Exchange, the aggregate amount allocated to tranches B, D and F must be greater than or equal to MAD 20,000,000. If at the end of the subscription period the aggregate amount allocated to tranches B, D and F is less than MAD 20,000,000, the subscriptions relative to these tranches will be canceled.
Initial Trading Procedure	Tranche B notes will be traded via a direct trading mechanism in accordance with Articles 1.2.6 and 1.2.22 of the General Rules of the Stock Exchange.
Registration of the Transaction with the Casablanca Stock Exchange	The entity responsible for the registration of the transaction with the Casablanca Stock Exchange is the brokerage firm CDG Capital Bourse.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 4 October 4 2016, to designate the firm **HDID Consultants**, represented by **Mr. Mohamed HDID**, acting as managing partner, 294 Bd Yacoub Mansour Etage 4 n°15 Casablanca, as the interim representative of Tranche B note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche B notes and that the appointed interim representative is identical for Tranches A and B, that are gathered in a single and same note holders group. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period, in order to designate the permanent representative. The identity of

	this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to CDG Capital as the centralizing body and custodian, in charge of the notes' financial servicing.

Tranche C: Annually resettable rate perpetual subordinated unlisted notes with a first redemption option at year 10

Description of the securities	Perpetual subordinated notes unlisted and dematerialized through registration with the central securities depositary (Maroclear) and registered in an account with authorized affiliates
Legal form	Bearer bonds
Tranche size	Five (5) billion dirhams
Maximum Number of Securities to be issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription price	At par, ie MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 10, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Events"**).
Interest Rate Type	Resettable
Subscription period	From 14 December to 16 December 2016, included with a possible early closing of the subscription period on 15 December 2016 at 3.30pm
Entitlement Date	23 December 2016
First Redemption Option Date	23 December 2026 (**Entitlement Date** + 10 years)
Allocation Method	French method without prioritization amongst the tranches
Nominal Interest Rate	Resettable annually. The interest rate will be reset annually to a rate equivalent to the **Reference Interest Rate** plus: (i) A risk premium between [70;120] basis points for the first 10 years period; (ii) A risk premium between [70;120] basis points and the **Applicable Step-up** beyond 10 years. The **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. For the first year, the nominal interest rate ranges between [2,98%; 3,48%], calculated on the basis of the 52 weeks Treasury bonds yield (money market rate) on the primary market, on 21 November 2016, ie. 2,28%, plus a risk premium between [70;120] basis points.
Reference Interest rate	At each anniversary of the notes' entitlement date, the reference rate shall be: Observed or calculated on the basis of the 52 weeks' Treasury bonds yield on the primary market (money market rate), on the last auction preceding the day falling 5 trading days before the

	coupon anniversary date. In case of non-adjudication during that auction, the used interest rate shall be the granted rate during the prior auction. In case of non-adjudication during the last two 52 weeks' Treasury bonds auctions preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 52 weeks Treasury bonds' yield curve on the secondary market, as published by Bank-Al Maghrib 5 trading days prior to the coupon anniversary. In case the 52 weeks Treasury bond rate is not observable on the yield curve, the determination of the **Reference Interest Rate** will be based on the linear interpolation method using two points around the full 52 weeks (money-market basis) maturity. This linear interpolation will be done after the conversion of the rate immediately above the 52-weeks maturity (actuarial basis) into an equivalent money-market rate. The calculation formula is: (((Actuarial rate + 1)^ (k / exact number of days))-1) x 360/k ;Where: k: is the maturity of the actuarial rate to be transformed. Exact number of days: 365 or 366 days (in case of a leap year). The **Reference Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary, or the next business day following this date if it is not a business day.
Coupon Payment Date	Annually at the anniversary of the notes' **Entitlement Date,** ie 23 December of each year, or on the 1st business day following this date if it is not a business day. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between [70;120] basis points
Applicable Step-up	▪ Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium.** ▪ From and including 23 December 2016 (**Entitlement Date** + 10 years), a first step-up of 25 basis points shall be added to the **Risk Premium**. ▪ From and including 23 December 2046 (**Entitlement Date** + 30 years), an additional step-up of 75 basis points shall apply .
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of: (i) **Base Coupon**; and (ii) **Interest Account.**
Base Coupon	**C = T x P x J/360** ▪ C : Base Coupon ▪ P : Principal ▪ T : Nominal Interest Rate ▪ J: Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date**

	▪ At the subsequent **Coupon Payment Dates,** means the product of: (i) **Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+**Nominal Interest Rate** applicable for the period x J/360)
Coupon Payment	The **Payable Coupon** shall be paid annually at each anniversary date of the **Entitlement Date** of the notes, ie 23 December of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases of Coupon Deferral	**Deferral of the coupon at the discretion of the Issuer** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to the note holders at least **30 business days** before that date through the **Centralizing Body and Custodian,** the **Representative of the Note Holders**, the AMMC and after a publication by the Issuer of a notice in a legal announcements newspaper to defer the payment, in whole but not in part of the **Payable Coupon** for all the tranches from A to F. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Restriction on *Pari-Passu* and Junior Tranches Remuneration	If the Issuer at its discretion, elects to differ a payment of the **Payable Coupon**, the issuer will not be entitled to: - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Interest Rate Reset Date**, the Issuer may, subject to a prior notice to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** the AMMC and a publication of a notice in a legal announcements newspaper at least **30 calendar days** before that date**,** redeem the notes in whole, but not in part, at their principal amount, together with the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable. Any optional redemption of the present tranche C systematically triggers the full redemption of tranches C and D.
Other Optional Early Redemption Event	The Issuer may, subject to a written prior notice with acknowledgement of receipt of at least **30 calendar days** to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC and through a publication of a notice in a legal announcements newspaper, redeem the Issue in whole, but not in part, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date if the following event occurs:

	- at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment or change has occurred regarding the **Equity Content** criteria of such rating agency, which amendment, clarification or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the date at which the **Equity Content** is assigned for the first time (a **"Rating Methodology Event"**)
Equity Content	The portion of the notes incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured direct commitments. They are subordinated with the lowest ranking and are and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is unsecured
Notes Tradability	The notes are tradable over-the-counter only between qualified investors as listed in Part 2. IV of the Prospectus. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.
Payment of the Notes in the Event of the Liquidation of the Issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or to sell off the the business as a whole following a legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made according to the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interests (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than securities ranking *pari-passu*) have been paid in full. This means that: ▪ unsubordinated creditors under the Issuer's unsubordinated obligations; ▪ ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 4 October 2016, to designate the firm **HDID Consultants**, represented by **Mr. Mohamed HDID**, acting as managing partner, 294 Bd Yacoub

	Mansour Etage 4 n°15 Casablanca, as the interim representative of Tranche C note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche C notes and that the appointed interim representative is identical for Tranches C and D, that are gathered in a single and same note holders group. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period in order to designate the permanent representative. The identity of this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to CDG Capital as the centralizing body and custodian, in charge of the notes' financial servicing.

Tranche D: Annually resettable rate perpetual subordinated notes, listed on the Casablanca Stock exchange with a first redemption option at year 10

Description of the securities	Perpetual subordinated notes listed on the Casablanca Stock Exchange, dematerialized through registration with the central securities depositary (Maroclear) and registered in an account with authorized affiliates
Legal form	Bearer bonds
Maximum issue amount	Five (5) billion dirhams
Maximum Number of Securities to be issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription price	At par, ie MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 10, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Events"**).
Interest Rate Type	Resettable
Subscription period	From 14 December to 16 December 2016 included with a possible early closing of the subscription period on 15 December 2016 at 3.30pm
Entitlement Date	23 December 2016
First Redemption Option Date	23 December 2026 (**Entitlement Date** + 10 years).
Allocation Method	French method without prioritization amongst the tranches
Nominal Interest Rate	Resettable annually. The interest rate will be reset annually to a rate equivalent to the **Reference Interest Rate** plus: (i) A risk premium between [70;120] basis points for the first 10 years period; (ii) A risk premium between [70;120] basis points and the **Applicable Step-up** beyond 10 years. The **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. For the first year, the nominal interest rate ranges between [2,98%; 3,48%], calculated on the basis of the 52 weeks Treasury bonds yield (money market rate) on the primary market, on 21 November 2016, ie. 2,28%, plus a risk premium between [70;120] basis points.
Reference Interest rate	At each anniversary of the notes' entitlement date, the reference rate shall be: Observed or calculated on the basis of the 52 weeks' Treasury bonds yield on the primary market (money market rate) on the last auction preceding the day falling 5 trading days before the coupon anniversary date. In case of non-adjudication during that auction, the used interest rate shall be the granted rate during the prior auction.

	In case of non-adjudication during the last two 52 weeks' Treasury bonds auctions preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 52 weeks Treasury bonds' yield curve on the secondary market, as published by Bank-Al Maghrib 5 trading days prior to the coupon anniversary. In case the 52 weeks Treasury bonds interest rate is not observable on the yield curve, the determination of the **Reference Interest Rate** will be based on the linear interpolation method using two points around the full 52 weeks (money-market basis) maturity. This linear interpolation will be done after the conversion of the rate immediately above the 52-weeks maturity (actuarial basis) into an equivalent money-market rate. The calculation formula is: (((Actuarial rate + 1)^ (k / exact number of days))-1) x 360/k ;Where: k: is the maturity of the actuarial rate to be transformed. Exact number of days: 365 or 366 days (in case of a leap year). The **Reference Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary, or the next business day following this date if it is not a business day.
Coupon Payment Date	Annually at the anniversary of the notes' **Entitlement Date,** ie 23 December of each year, or on the 1st business day following this date if it is not a business day. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between [70;120] basis points
Applicable Step-up	▪ Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium**. ▪ From and including 23 December 2026 (**Entitlement Date** + 10 years), a first step-up of 25 basis points shall be added to the **Risk Premium**. ▪ From and including 23 December 2046 (**Entitlement Date** + 30 years), an additional step-up of 75 basis points shall apply.
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of: (i) **Base Coupon**; and (ii) **Interest Account.**
Base Coupon	**C = T x P x J/360** ▪ C : Base Coupon ▪ P : Principal ▪ T : Nominal Interest Rate ▪ J: Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the subsequent **Coupon Payment Dates,** means the product of: (i) **Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon**

	Payment Date; and (ii) (1+**Nominal Interest Rate** applicable for the period x J/360)
Coupon payment	The **Payable Coupon** shall be paid annually at each anniversary date of the **Entitlement Date** of the notes, ie 23 December of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole but not in part, subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases Coupon Deferral	**Deferral of the coupon at the discretion of the Issuer** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to note holders at least **30 business days** before that date through the **Centralizing Body and Custodian,** the **Representative of the Note Holders**, the AMMC and after a publication of a notice by the Issuer in a legal announcements newspaper, to defer the payment, in whole but not in part, of the **Payable Coupon** for all the tranches from A to F. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Restriction on *Pari-Passu* and Junior Tranches Remuneration	If the Issuer at its discretion, elects to differ a payment of the **Payable Coupon**, the issuer will not be entitled to: - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Interest Rate Reset Date**, the Issuer may, subject to a prior notice of at least **30 calendar days** before that date to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC, to the Casablanca Stock Exchange and after a publication of a notice in a legal announcements newspaper, redeem the notes in whole, but not in part, at their principal amount, together with the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable. Any early optional redemption of the present tranche systematically triggers the full redemption of tranches C and D.
Other Optional Early Redemption Event	The Issuer may, subject to a written prior notice of at least **30 calendar days** with acknowledgement of receipt to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC and a publication of a notice in a legal announcements newspaper**,** redeem the Issue in whole, but not in part, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date the following event occurs:. - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment or change has occurred in the **Equity Content** criteria of such rating agency, which

	amendment, clarification or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the date at which the **Equity Content** is assigned for the first time 'a **"Rating Methodology Event"**)
Equity Content	The portion of the Issue incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, provided the issuer contract allows it, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured direct commitments. There are subordinated with the lowest ranking and are and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is unsecured
Notes Tradability	The notes are tradable on the Casablanca Stock exchange only between qualified investors as listed in Part 2. IV of the Prospectus. These notes cannot be offered, sold, or resold in the United States, or to a United States citizen.
Payment of the Notes in the Event of the Liquidation of the issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or to sell off the business as a whole following an order of legal redresss in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made according to the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interests (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than securities ranking *pari-passu*) have been paid in full. This means that: ▪ unsubordinated creditors under the Issuer's unsubordinated obligations; ▪ ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Securities Listing	Tranche D notes will be listed on the Casablanca Stock Exchange and will be subject to an application for admission to the fixed-income compartment of the Casablanca Stock Exchange. Their listing date on this compartment is scheduled for 20 December 2016 under the Ticker OOCPC. To be listed on the Casablanca Stock Exchange, the aggregate amount allocated to tranches B, D and F must be greater than or equal to MAD 20,000,000. If at the end of the subscription period the aggregate amount allocated to tranches B, D and F is less than MAD 20,000,000, the subscriptions relative to these

	tranches will be canceled.
Initial Trading Procedure	Tranche D notes will be traded via a direct trading method in accordance with Articles 1.2.6 and 1.2.22 of the General Rules of the Stock Exchange.
Registration of the Transaction with the Casablanca Stock Exchange	The entity responsible for the registration of the transaction with the Casablanca Stock Exchange is the brokerage firm CDG Capital Bourse.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 4 October 2016, to designate the firm **HDID Consultants**, represented by **Mr. Mohamed HDID**, acting as managing partner, 294 Bd Yacoub Mansour Etage 4 n°15 Casablanca, as the interim representative of Tranche D note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche D notes, and that the appointed interim representative is identical for Tranches C and D, that are gathered in a single and same note holders group. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period, in order to designate the permanent representative. The identity of this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to CDG Capital as the centralizing body and custodian, in charge of the notes' financial servicing.

Tranche E: 5-year resettable Rate perpetual subordinated unlisted notes with a first redemption option at year 10

Description of the securities	Perpetual subordinated notes unlisted on the Casablanca Stock Exchange, dematerialized through registration with the central securities' depositary (Maroclear) and registered in an account with authorized affiliates
Type of Securities	Notes
Legal Form	Bearer notes
Tranche size	Five (5) billion dirhams
Maximum Number of Securities to be issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription price	At par, ie MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 10, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Events"**).
Interest Rate Type	Resettable
Subscription period	From 14 December to 16 December 2016 included with a possible early closing of the subscription period on 15 December 2016 at 3.30pm.
Entitlement Date	23 December 2016
First Redemption Option Date	23 December 2026 (**Entitlement Date** + 10 years)
Interest Rate Reset Date(s)	23 December 2021 (**Date of Entitlement** + 5 years) included and thereafter every 5 years.
Allocation Method	French method without prioritization amongst the tranches
Nominal Interest Rate	Before and excluding the **First Redemption Option Date,** the **Nominal Interest Rate** is based on a calculated rate with reference to the 5 years Treasury bond yield on the primary market as at 14 November 2016, i.e 2,67% plus a risk premium between [70;120] basis points as set after the auction. For the first 5 years, the nominal interest rate ranges between [3,37%; 3,87%]. Starting and including the **First Redemption Option Date,** and at each **Interest Rate Reset Date**, the interest rate will be reset to a new rate calculated or observed during the last Treasury bonds auction, 5 trading days prior to the coupon anniversary date, on the basis of the 5 years Treasury bonds yield on the primary market, plus a risk premium between [70;120] basis points, and the **Applicable Step Up.** In case of non-adjudication during that auction, the used

	interest rate shall be the granted rate during the prior auction. In case of non-adjudication during the last 2 auctions of 5 years Treasury bonds preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 5 years Treasury bonds yield curve on the secondary market, as published by Bank Al-Maghrib 5 trading days prior to the coupon anniversary date. The new **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. In case the 5 years Treasury bond rate is not directly observable on the yield curve, the 5 years Treasury bond reference will be based on the linear interpolation method using two points around the full 5 years maturity (actuarial basis).
Coupon Payment Date(s)	Annually at the anniversary of the notes' **Entitlement Date,** ie 23 December of each year. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between [70;120] basis points
Applicable Step-up	▪ Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium**. ▪ From and including 23 December 2026 (**Entitlement Date** + 10 years), or the next business day if this date is not a business day, a first step-up of 25 basis points shall be added to the **Risk Premium**. ▪ From and including 23 December 2046 (**Entitlement Date** + 30 years), an additional step-up of 75 basis points shall apply.
Payable Coupon	At each **Coupon Payment Date,** the payable coupon shall be the sum of: (i) **Base Coupon**; and (ii) **Interest Account.**
Base Coupon	**C = T x P x J/365 or 366 (in the case of a leap year)** ▪ C : Base Coupon ▪ P : Principal ▪ T : Nominal Interest Rate ▪ J: Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the subsequent **Coupon Payment Dates, it is equal to** the product of: (i) **Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+**Nominal Interest Rate** applicable for the period x J/365 or 366 (in the case of a leap year))
Coupon Payment	The **Payable Coupon** shall be paid annually at each

	anniversary of the **Entitlement Date** of the notes, ie 23 December of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases of Coupon Deferral	**Deferral of the coupon at the discretion of the Issuer** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to the note holders of at least **30 business days** before that date, through the **Centralizing Body and Custodian,** the **Representative of the Note Holders,** the AMMC, and after a publication by the Issuer of a notice in a legal announcements newspaper, to defer the payment, in whole but not in part, of the **Coupon Payable** for all the tranches from A to F. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Restriction on *Pari-Passu* and Junior Tranches Remuneration	If the Issuer at its discretion, elects to differ a payment of the **Payable Coupon**, it cannot : - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Coupon Payment Date**, the Issuer may, subject to aa prior notice to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC and a publication of a notice in a legal announcements newspaper at least **30 calendar days** redeem the notes in whole, but not in part, at their principal amount, together with the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable. Any optional redemption of the present tranche systematically triggers the full redemption of tranches E and F.
Other Optional Early Redemption Event	The Issuer may, subject to a written prior notice of at least **30 calendar days** with acknowledgement of receipt to the **Representative of the Note Holders,** to the **Centralizing Body and Custodian,** to the AMMC, and a publication of a notice in a legal announcements newspaper, redeem the Issue in whole, but not in part, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date if the following event occurs:. - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the **Equity Content** criteria of such rating agency, which amendment, clarification or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the

	date when the **Equity Content** is assigned for the first time 'a **"Rating Methodology Event"**)
Equity Content	The portion of the notes incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, provided the issue contracts allow it, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured direct commitments. They are subordinated with the lowest ranking, and that are and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is not subject to any guarantee
Notes Tradability	The notes are tradable over-the-counter only between qualified investors as listed in Part 2. IV of the Prospectus. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.
Payment of the Notes in the Event of the Liquidation of the Issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or for the sale of the whole of the business following an order of legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made in the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interest (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than parity securities) have been paid in full. This means that: ▪ unsubordinated creditors under the Issuer's unsubordinated obligations; ▪ ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 4 October 2016, to designate the firm **HDID Consultants**, represented by **Mr. Mohamed HDID**, acting as managing partner, 294 Bd Yacoub Mansour Etage 4 n°15 Casablanca, as the interim representative of Tranche E note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche E notes and that the appointed interim representative is identical for Tranches E

	and F, that are gathered in a single and same note holders group. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period, in order to designate the permanent representative. The identity of this person shall be made public via press release.
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to CDG Capital as the centralizing body and custodian, in charge of the notes' financial servicing.

Tranche F: 5 year resettable rate perpetual subordinated notes listed on the Casablanca Stock exchange, with a first redemption option at year 10

Description of the securities	Perpetual subordinated notes listed on the Casablanca Stock Exchange, dematerialized through registration with the central securities' depositary (Maroclear) and registered in an account with authorized affiliates
Type of Securities	Notes
Legal Form	Bearer notes
Tranche size	Five (5) billion dirhams
Maximum number of Securities to be issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription price	At par, ie MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 10, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Events"**).
Interest Rate Type	Resettable
Subscription period	From 14 December to 16 December 2016 included with a possible early closing of the subscription period on 15 December 2016 at 3.30pm
Entitlement Date	23 December 2016
First Redemption Option Date	23 December 2026 (**Entitlement Date** + 10 years)
Interest Rate Reset Date(s)	23 December 2021 (**Entitlement Date** + 5 years) included and thereafter every 5 years.
Allocation Method	French method with prioritization amongst the tranches
Nominal Interest Rate	Before and excluding the **First Redemption Option Date,** the **Nominal Interest Rate** is based on a calculated rate with reference to the 5 years Treasury bond yield on the primary market as at 14 November 2016, i.e 2,67% plus a risk premium between [70;120] basis points as set after the auction. For the first 5 years, the nominal interest rate ranges between [3,37%; 3,87%]. Starting and including the **First Redemption Option Date,** and at each **Interest Rate Reset Date**, the interest rate will be reset to a new rate calculated or observed during the last Treasury bonds auction, 5 trading days prior to the coupon anniversary date, on the basis of the 5 years Treasury bonds yield on the primary market, plus a risk premium between [70;120] basis points, and the **Applicable Step Up.** In case of non-adjudication during that auction, the used interest rate shall be the granted rate during the prior auction.

	In case of non-adjudication during the last 2 auctions of 5 years Treasury bonds preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 5 years Treasury bonds yield curve on the secondary market, as published by Bank Al-Maghrib 5 trading days prior to the coupon anniversary date. The new **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. In case the 5 years Treasury bond rate is not directly observable on the yield curve, the 5 years Treasury bond reference will be based on the linear interpolation method using two points around the full 5 years maturity (actuarial basis).
Coupon Payment Date	Annually at the anniversary of the notes' **Entitlement Date,** ie 23 December of each year. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between [70;120]
Applicable Step-up	▪ Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium.** ▪ From and including 23 December 2026 (**Entitlement Date** + 10 years), a first step-up of 25 basis points shall be added to the **Risk Premium**. ▪ From and including 23 December 2046 (**Entitlement Date** + 30 years), an additional step-up of 75 basis points shall apply.
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of: (i) **Base Coupon**; and (ii) **Interest Account.**
Base Coupon	**C = T x P x J/365 or 366 (in the case of a leap year)** ▪ C : Base Coupon ▪ P : Principal ▪ T : Nominal Interest Rate ▪ J: Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the subsequent **Coupon Payment Dates, it is equal to** the product of: (i) **Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+**Nominal Interest Rate** applicable for the period x J/365 or 366 (in the case of a leap year))
Coupon Payment	The **Payable Coupon** shall be paid annually at each anniversary of the **Entitlement Date** of the notes, ie 23 December of each year, or the next business day if this day is

	not a business day. However, the Issuer may at its option, elect to defer this payment,in whole but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases of Coupon Deferral	**Deferral of the coupon at the discretion of the Issuer** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice of at least **30 business days** to the note holders through the **Centralizing Body and Custodian,** the **Representative of the Note Holders**, the AMMC, and after a publication by the issuer of a notice in a legal announcements newspaper to defer the payment, in whole but not in part, of the **Coupon Payable** for all the tranches from A to F. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Restriction on *Pari-Passu* and Junior Tranches Remuneration	If the Issuer at its discretion, elects to differ a payment of the **Payable Coupon**, it cannot : - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Coupon Payment Date**, the Issuer may, subject to a prior notice to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC, to the Casablanca Stock Exchange and a publication of a notice in a legal announcements newspaper at least **30 calendar days** before that date, redeem the notes in whole, but not in part, at its principal amount, together with the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable. Any optional redemption of the present tranche systematically triggers the full redemption of tranches E and F.
Other Optional Early Redemption Event	The Issuer may, subject to a prior written notice of at least **30 calendar days** with acknowledgement of receipt to the **Representative of the Note Holders** and to the **Centralizing Body and Custodian**, to the AMMC, to the Casablanca Stock Exchange, and a publication of a notice in a legal announcements newspaper, redeem the Issue in whole, but not in part, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date if the following event occurs:. - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the **Equity Content** criteria of such rating agency, which amendment, clarification or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the date when the **Equity Content** is assigned for the first

	time 'a **"Rating Methodology Event"**)
Equity Content	The portion of the Issue incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, provided the issue contracts allow it, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional unsecured direct commitments. They are subordinated with the lowest ranking, and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is not subject to any guarantee
Notes Tradability	The notes are tradable on the Casablanca Stock Exchange only between qualified investors as listed Part 2. IV of the Prospectus. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.
Payment of the Notes in the Event of the Liquidation of the Issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or for the sale of the whole of the business following an order of legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made in the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interest (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than parity securities) have been paid in full. This means that: ▪ unsubordinated creditors under the Issuer's unsubordinated obligations; ▪ ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Securities Listing	Tranche F notes will be listed on the Casablanca Stock Exchange and will be subject to an application for admission to the fixed-income compartment of the Casablanca Stock Exchange. Their listing date on this compartment is scheduled for 20 December 2016 under the Ticker OOCPD. In order to be listed on the Casablanca Stock Exchange, the aggregate amount allocated to tranches B, D and F must be greater than or equal to MAD 20,000,000. If at the end of the subscription period the aggregate amount allocated to tranches B, D and F is less than MAD 20,000,000, the subscriptions relative to these tranches will be canceled.

Initial Trading Procedure	Tranche F notes will be traded via a direct trading mechanism in accordance with Articles 1.2.6 and 1.2.22 of the General Rules of the Stock Exchange.
Registration of the Transaction with the Casablanca Stock Exchange	The entity responsible for the registration of the transaction with the Casablanca Stock Exchange is the brokerage firm CDG Capital Bourse.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 4 October 2016, to designate the firm **HDID Consultants**, as represented by **Mr. Mohamed HDID**, acting as managing partner, 294 Bd Yacoub Mansour Etage 4 n°15 Casablanca, as the interim representative of Tranche F note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche F notes and that the appointed interim representative is identical for Tranches E and F, that are gathered in a single and same note holders group.. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period in order to designate the permanent representative. The identity of this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to CDG Capital as the centralizing body and custodian, in charge of the notes' financial servicing.

II. OBJECTIVES OF THE OFFERING

In 2008, OCP has launched its Capital Expenditure Program, which aims to improve its operating performance and make the Group consolidate and strengthen its leading position across the phosphate value chain.

This major capital expenditure program amounts to approximately 200 billion dirhams over the 2008-2025 period and is financed through both equity and debt.

In order to finance its investment program, and in accordance with the decision of the Board of Directors, the company decided to issue local subordinated notes. This offering is consistent with the company's strategy to optimize its access to the capital market and to diversify its financing sources.

III. TRANSACTION SCHEDULE

Order	Steps	Dates
1	Full transaction filing received by the Casablanca Stock Exchange	9 December 2016
2	Notice of approval of the transaction by the Casablanca Stock Exchange	9 December 2016
3	AMMC-approved prospectus received by the Casablanca Stock Exchange	9 December 2016
4	Publication of the notice relative to the transaction in the Casablanca Stock Exchange official bulletin (*Bulletin de la Cote*),for tranches B,D and F.	9 December 2106
5	Publication of the extract of the prospectus in a newspaper for legal announcements	10 December 2016
6	Opening of the subscription period	14 December 2016
7	- Possible early subscription period closing at 3.30pm, if applicable - Publication of the notice relative to the early closing (listed and unlisted tranches)	15 December 2016
8	Receipt by the Casablanca Stock Exchange of the transaction results before 10:00 a.m in the case of an early subscription period closing	16 December 2016
9	Normal closing of the subscription period	16 December 2016
10	Receipt by the Casablanca Stock Exchange of the transaction results and the nominal rates before 10:00 a.m in the case of a normal closing.	19 December 2016
11	- Listing of the notes - Registration of the transaction on the stock market - Announcement of the transaction results in the official bulletin of the Casablanca stock exchange (Bulletin de la cote)	20 December 2016
12	Settlement and delivery	23 December 2016
13	Publication of the transaction results on a legal announcements newspaper	23 December 2016

PART II. INFORMATION ON THE ISSUER

I. GENERAL INFORMATION

Corporate name	OCP SA
Head office	2, Al Abtal street, Hay Erraha, Casablanca
Telephone	05.22.23.00.25
Fax	05.22.22.17.53
Website	www.ocpgroup.ma
Legal form	*Société Anonyme* (Joint Stock Company) governed by the laws and regulations in force, including Dahir no. 1-96-124 of Rabii II 14 , 1 417 promulgating Law no 17-95 on *Société Anonyme* as amended and supplemented by the laws no 81-99, 23-01, 20-05 et 72-12 .
Date of incorporation	Office Chérifien des Phosphates : August 7th, 1920 OCP SA: Law no. 46-07 of February 26th, 2008 relative to the transformation of *Office Chérifien des Phosphates* into a *Société Anonyme (SA)*
Term of the company	The term of the Company is set at 99 years starting April 1st, 2008, except in the case of an early dissolution or an extension under the conditions provided by the company's charter or by law
Commercial register	Casablanca, 40 327
Fiscal year	Starting January 1st until December 31st
Share capital	MAD 8 287 500 000 composed of 82 875 000 shares with a nominal value of MAD100 each, all fully paid and of the same category
Access to legal documentation	The Company's charter, the minutes of the Ordinary General Meetings, and the auditors' reports are available at the headquarters of OCP SA: 2 Rue Al Abtal, Hay Erraha, Casablanca.
Company's purpose	Pursuant to article 2 of the company's charter, the Company's purpose is: ▪ The use of a monopoly over research and operations of phosphate reserves granted by the State under article 6 of the Dahir[1] of 9 Rejeb 1370 (16 April 1951) on mining regulation and more generally in accordance with Law no 46 -07; ▪ All activities, operations and services of any kind, directly or indirectly related to the operation, processing and / or marketing in addition to the promotion and development, both in Morocco and abroad, of phosphates and its derivatives; ▪ More generally, any transactions or structuring of financial, commercial, industrial, real estate, securities or other transactions linked directly or indirectly, in whole or in part to the corporate purpose described herein and to any similar or related purpose likely to facilitate or to promote the development of the Company and its business; ▪ All directly or indirectly, for its own account or on behalf of third parties, either alone or with third parties, through the creation of new companies of any form, contribution, sponsorship, subscription, purchase of securities or social rights, merger, alliance, partnership, or taking or giving in rent or management of any property or rights, or otherwise, subject to the limitations imposed by law, both in Morocco and abroad.

[1] Royal decree

Laws and regulations applicable to the issuer	Given its legal form and its predominantly state-owned capital, OCP SA is governed by Moroccan Law, particularly by: ▪ Law no 17-95 on joint stock companies (Sociétés Anonymes), promulgated by the dahir no 1-96-124 of August 30th, 1996, as amended and supplemented by the laws no 20-05 and 78-12; ▪ Law no 69-00 relative to the State's financial control over public companies and other organizations; ▪ Law no 02-12 relative to nominations to senior government posts according to the provisions of articles 49 and 92 of the Constitution, promulgated by the dahir no 1-12-20 of July 17th, 2012 Given its operations, OCP is governed by: ▪ Law no 46-07relative to the transformation of the Office Chérifien des Phosphates into a joint stock company, promulgated by the dahir no 1-08-5 of February 26th, 2008. Article 2 of this law specifies that the main purpose of OCP SA is the use of a monopoly over research and operations of phosphate reserves granted by the State under article 6 of the Dahir of April 16th, 1951 on mining regulation; ▪ Dahir of April 16th 1951 on mining regulation; ▪ Dahir of November 30th, 1918, relative to temporary occupations of the public domain; ▪ Dahir no 1-95-154 of August 16th, 1995, promulgating law no 10-95 relative to water (Official Bulletin of September 20th, 1995); ▪ Dahir no 1-03-61 of May 12th, 2003, promulgating Law no 13-03 relative to the fight against air pollution (Official Bulletin of June 19th, 2003); ▪ Dahir no 1-06-153 of November 22nd, 2006, promulgating Law no 28-00 relative to waste management and disposal (Official Bulletin no 5480 of December 7th 2006); ▪ Dahir no 1-03-60 of May 12th, 2013, promulgating law no 12-03 relative to environmental impact studies (Official Bulletin of June 19th, 2003); ▪ Dahir no 1-14-09 of March 6th, 2014 promulgating the framework law no 99-12 relative to the national charter for environment and sustainable development (Official Bulletin no 6240 of March 20th, 2014); ▪ Dahir of August 25th, 1914, promulgating the rules governing unhealthy, inconvenient or dangerous establishments (Official Bulletin of September 7th, 1914); Due to its public offering, OCP SA is governed by all statutory and regulatory provisions relating to public offering, namely: ▪ Dahir providing Law no 1-93-212 dated September 21st, 1993 as amended and supplemented bylaws n° 23-01, 36-05, and 44-06; ▪ Dahir no 1-93-211 of September 21st , 1993 on the Stock Exchange as amended and supplemented by laws no 34-96, 29-00, 52-01 and 45-06; ▪ The General Rules of the Stock Exchange approved by the decree of the Minister of Economy and Finance no 499-98 of July 27th, 1998 and amended by the decree of the Minister of Economy, Finance, Privatization and Tourism no 1960-01 of October 30th, 2001, and as modified by the amendment of June 2004 that came into effect in November 2004 by decree no 1268-08 of July 7th, 2008; ▪ Dahir no 1-96-246 of January 9th, 2011, providing Law no 35-96 on the creation of a central depository and the establishment of a general system of registration of certain securities, as amended and supplemented by Law no 43-02; ▪ The General Regulation of the Central Depository approved by the decree of the Minister of Economy and Finance no 932-98 of April 16th, 1998, amended by the decree of the Minister of Economy and Finance , Privatization and Tourism no 1961-01 of October 30th, 2001. ▪ The General Regulations of AMMC as approved by the decree of the

	Minister of Economy and Finance no 822/08 of April 14th, 2008.
Competent court for disputes	Commercial court of Casablanca
Applicable taxation regime	OCP SA is subject to the proportional corporate tax rate, that currently amounts to 31%, and to a VAT rate of 20% Given that the Company is an exporter, OCP SA has an income tax exemption ensuring a favorable rate of 17.5% on its exports.

II. INFORMATION ON THE CAPITAL OF OCP SA

II.1 GENERAL INFORMATION

At the time of this offering, the share capital of OCP SA amounts to 8,287,500,000 MAD, and is fully paid-up. It is composed of 82,875,000 shares with a nominal value of MAD 100.

II.2 CAPITAL AND SHAREHOLDING HISTORY

II.2.1 Share capital

As at December 31st, 2015, the share capital of OCP SA amounted to 8,287,500,000 dirhams. It was composed of 82,875,000 shares with a nominal value of MAD 100.

The share capital of OCP SA has been subject to the following changes:

Date	Transaction	Number of shares issued	Share price (MAD)	Nominal value	Transaction amount	Total number of shares	Share capital (post transaction) (KMAD)
26/02/2008	Transformation of *Office Chérifien des Phosphates* into a Joint Stock Company (SA)	78 000 000	100	100	7 800 000	78 000 000	7 800 000
13/01/2009	Capital Increase for BCP	4 875 000	1 025.64	100	5 000 000	82 875 000	8 287 500

Source: OCP SA

On February 26th, 2008, the *Office Chérifien des phosphates*, a state office, has been transformed into joint stock company (*société anonyme*) and renamed "OCP SA". It had a share capital of MAD 7,800,000,000 composed of 78,000,000 shares with a nominal value of MAD 100 each.

II.2.2 History of the shareholding over the past five years

Shareholder	31/12/2011			31/12/2012		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Moroccan State	78 000 000	94.12%	94.12%	78 000 000	94.12%	94.12%
Banque Centrale Populaire	4 046 250	4.88%	4.88%	3 789 457	4.57%	4.57%
SADV	-	-	-	729 300	0.88%	0.88%
Moussahama II Fund	472 507	0.57%	0.57%	-	-	-
Infra Maroc Capital	356 243	0.43%	0.43%	356 243	0.43%	0.43%
Total	**82 875 000**	**100%**	**100%**	**82 875 000**	**100%**	**100%**

Source: OCP SA

Shareholder	31/12/2013			31/12/2014			31/12/2015		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Moroccan State	78 000 000	94.12%	94.12%	78 000 000	94.12%	94.12%	78 000 000	94.12%	94.12%
Banque Centrale Populaire	3 789 457	4.57%	4.57%	3 789 457	4.57%	4.57%	2 280 381	2.75%	2.75%
SADV	729 300	0.88%	0.88%	729 300	0.88%	0.88%	729 300	0.88%	0.88%
Infra Maroc Capital	356 243	0.43%	0.43%	356 243	0.43%	0.43%	1 865 319	2.25%	2.25%
Total	**82 875 000**	**100%**	**100%**	**82 875 000**	**100%**	**100%**	**82 875 000**	**100%**	**100%**

Source: OCP SA

II.3 SHAREHOLDING STRUCTURE

The shareholding structure of OCP SA as of September 30th, 2016 is as follows:

Shareholder	Number of shares	% of capital & voting rights
Moroccan State	78 000 000	94.12%
Banque Centrale Populaire	1 674 570	2.02%
SADV	729 300	0.88%
Infra Morocco Capital	2 471 130	2.98%
Total	**82 875 000**	**100%**

Source: OCP SA

III. ADMINISTRATIVE BODIES

Articles 12 to 19 of OCP's charter contain rules on the composition, convening notice modes, powers, functioning and quorum of OCP SA's Board of Directors. They comply with Law no. 17-95 on joint stock company (*Société anonyme*) and Article 3 of Law no. 46-07 pertaining to the transformation of *Office Chérifien des Phosphates* into a joint stock company (*Société anonyme*).

III.1 COMPOSITION OF THE BOARD

Articles 12 and 14 of OCP SA's charter provide that:

- The Company is managed by a Board of Directors composed of at least three members and at most twelve members from amongst the shareholders and appointed in accordance with Law no 17-95 on joint stock company (*Société anonyme*) as amended and supplemented by Law no 20-05;
- The term of office of the first directors designated by the charter is three years;
- The term of office of directors appointed by the General Meeting of Shareholders (AGO) is six years. It expires following the Ordinary General Meeting that approves the accounts for the previous financial year, held in the year in which their mandate expires;
- The Board of Directors elects a Chairman, from amongst its individual members, and sets his/her term of office which may not exceed his/her term as a director;
- The Board also appoints a secretary, even outside of its members;

- The Board of OCP SA is chaired by Mr. Mostafa TERRAB whose mandate has been renewed on June 30th, 2011.

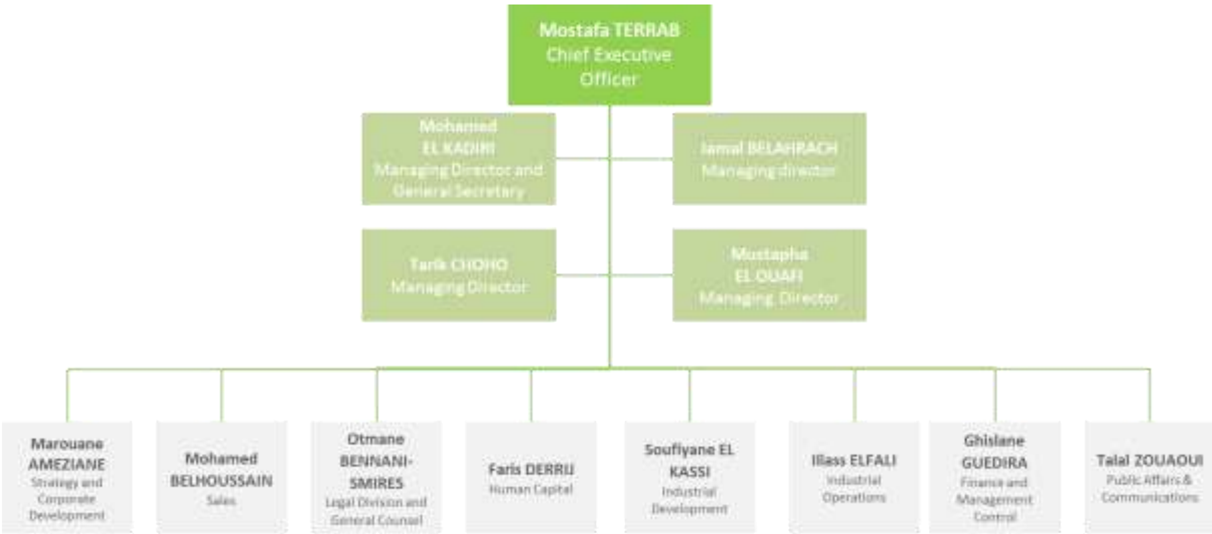
The composition of the Board of OCP SA as at September 30th, 2016 is as follows:

Members of the Board	Current function	Appointment date / Cooptation	Mandate expiry date
Mr. Mostafa TERRAB Chairman and CEO	Chairman and CEO	2008	OGM Accounts 2016
Mr. Abdelkader AMARA Minister of Energy, Mines, Water and Environment	Director	2012 Cooptation	OGM Accounts 2016
BCP as represented by Mr. Mohamed BENCHAABOUN CEO of Banque Centrale Populaire	Director	2015 Renewal	OGM Accounts 2020
Mr. Mohamed BOUSSAID Minister of Economy and Finance	Director	2014	OGM Accounts 2016
Mr. Moulay Hafid ELALAMY Minister of Industry, Trade, Investment and Digital Economy	Director	2014	OGM Accounts 2019
Mr. Mohamed HASSAD Minister of Interior	Director	2014	OGM Accounts 2016
Mr. Mohamed LOUAFA Deputy Minister to the Head of the Government in charge of General Affairs and Governance	Director	2014	OGM Accounts 2016
Mr. Salaheddine MEZOUAR Minister of Foreign Affairs and Cooperation	Director	2016 Renewal	OGM Accounts 2021
Mr. Mohamed SADIKI General Secretary to the Ministry of Agriculture and Maritime Fishing	Director	2015 Cooptation	OGM Accounts 2016

Source: OCP SA

The secretariat of the board shall be provided by Mr. Mohamed EL KADIRI (Managing Director and General Secretary of OCP SA).

III.2 SENIOR MANAGEMENT

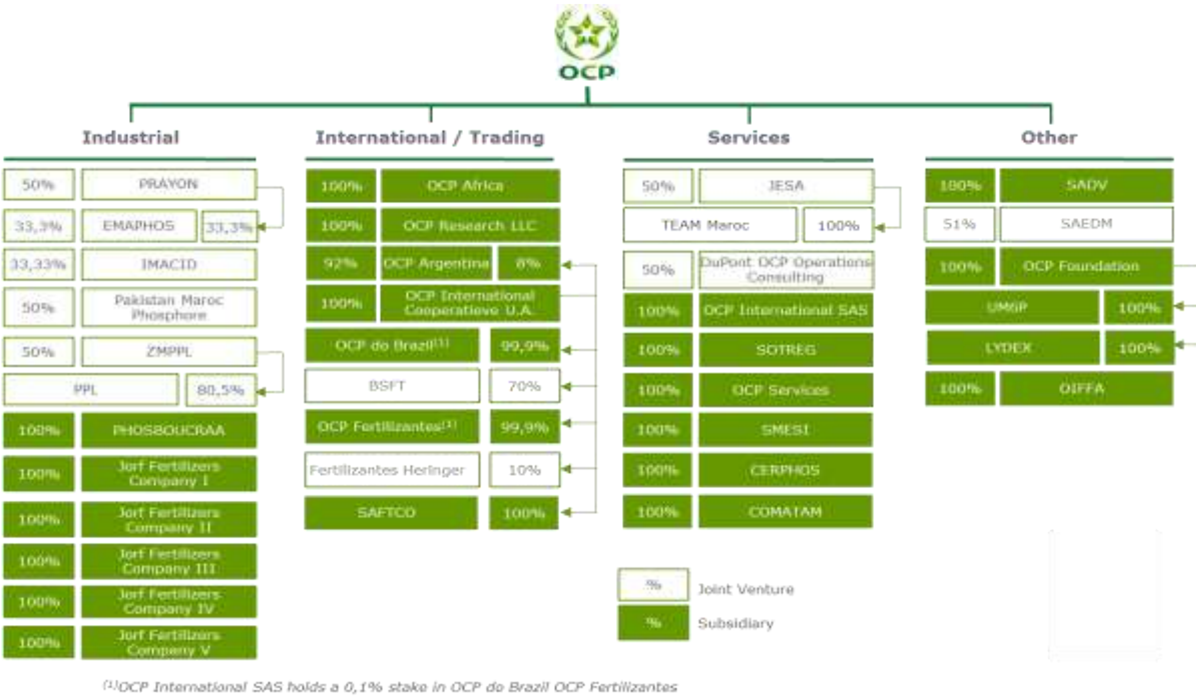


Source : OCP SA

IV. ORGANISATIONAL STRUCTURE OF OCP

LEGAL ORGANISATIONAL STRUCTURE

The following chart sets forth the Group's organizational structure as of June 30th, 2016. The chart provides information in respect of the Company's principal subsidiaries and sets forth the Group's ownership of the subsidiaries' share capital:



Source : OCP SA

V. OCP BUSINESS

OCP Group is the world's largest phosphate producer and a vertically integrated leading global fertilizer player, backed by almost a century of production history. OCP has exclusive access to the largest phosphate rock reserve base in the world. It is one of the producers of phosphate rock with the lowest cost in the industry and has become a leading player in production and trade volumes across the phosphate value chain.

The mining activities of OCP Group are located in the regions of Khouribga, Gantour and Boucraâ. They consist in the extraction, processing, beneficiation and supply of phosphate to the Group's chemical units that are based in Jorf Lasfar and Safi, as well as in exports of phosphate rock to more than thirty countries.

The Group's operations are organized in two main axes:

- Northern axis: includes the mining site of Khouribga, and the chemical site of Jorf Lasfar.
- Central axis: includes the Gantour basin, the mining site of Boucraa and the chemical site of Safi.

The Group is involved across the entire phosphate value chain and specializes in the extraction, processing, marketing and sale of (i) phosphate rock, (ii) phosphoric acid (including purified phosphoric acid) and (iii) phosphate fertilizers.

The Group processes approximately two-thirds of its phosphate rock production into phosphoric acid, a significant part of which is in turn further processed into phosphate-based fertilizers. In addition to phosphoric acid, the Group produces and exports four major types of phosphate-based fertilizers: MAP, DAP, NPK, TSP. The Group also started producing a number of specialized fertilizer products, such as Sulphur-enriched fertilizers, reactive phosphate rock, fertilizers enriched with micronutrients and feed phosphate products.

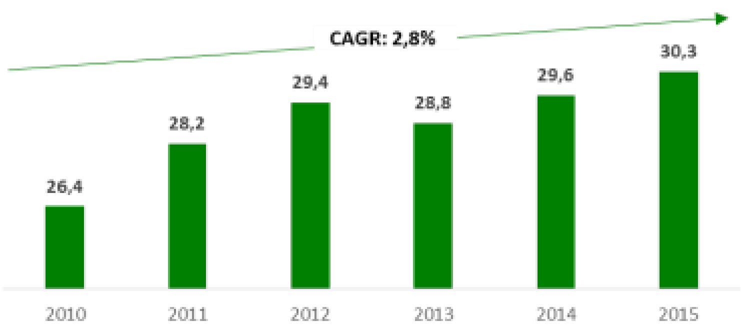
The Group sells its products to other industrial companies, including integrated and non-integrated players, large and established traders and distributors.

Phosphate rock operations

The total phosphate rock production of OCP Group, as at the end of 2015 amounts to 30.3 million tons. The Khouribga site alone represents more than 71% of this production.

The evolution of phosphate extraction volumes between 2010 and 2015 is presented in the following chart:

Evolution of phosphate extraction volumes[2] (in million tons)

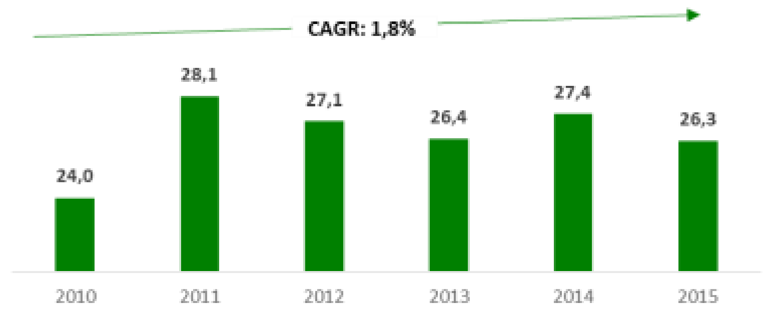


Source : OCP SA

[2] These volumes are expressed in TSM (Tonne Sec Marchand)

The evolution of processed phosphate volumes over the past five years is presented in the following chart:

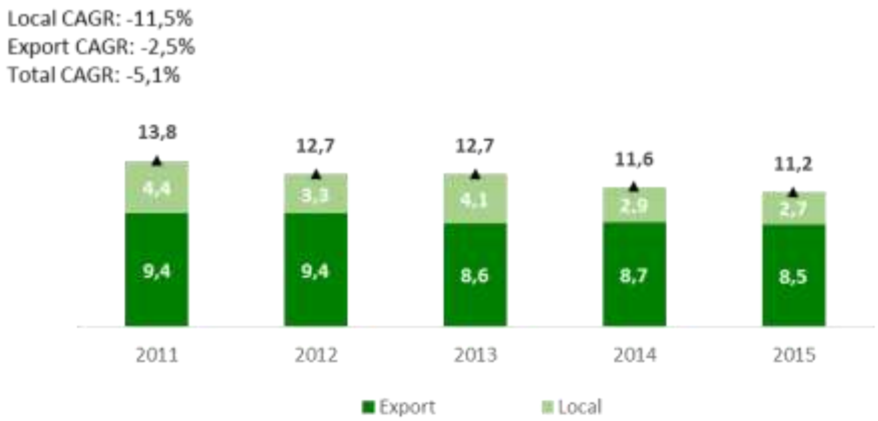
Evolution of market production volumes - Processed phosphates - (in million tons)



Source : OCP SA

The evolution of phosphate volumes sold (consolidated) between 2011 and 2015 is as follows:

Evolution of phosphate sales volumes - exports and local sales (in million tons)



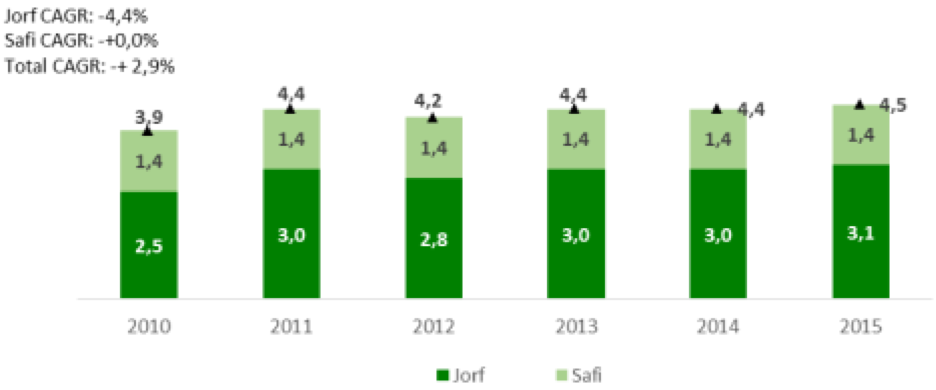
Source : OCP SA, IFRS net of intra-group transactions

(i) Phosphoric acid operations

The total phosphoric acid production by OCP Group, as at the end of 2015, reached 4.5 million tons P2O5, 68% of which has been produced in the Jorf Lasfar site, and 32% in Safi.

The evolution of phosphoric acid volumes produced (all subsidiaries combined) between 2010 and 2015 is presented in the following chart:

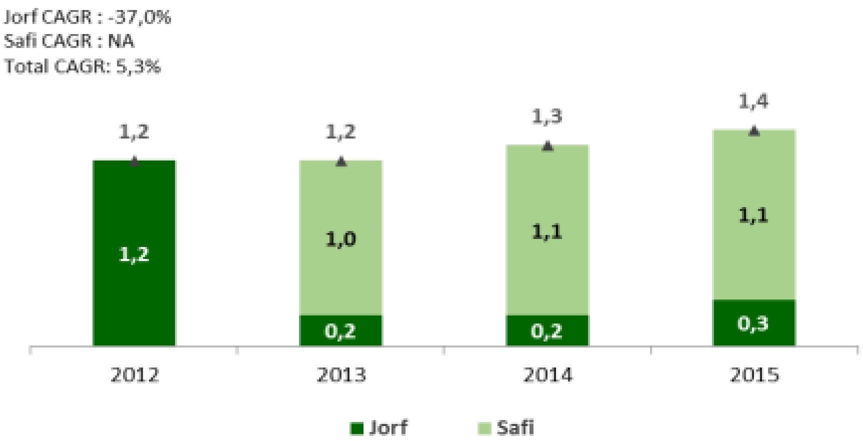
Evolution of phosphoric acid production volumes by site (in million P2O5 tons)



Source : OCP SA

The evolution of sold phosphoric acid volumes (consolidated) between 2012 and 2015 is as follows :

Evolution of sold phosphoric acid volumes by site (in million P2O5 tons)



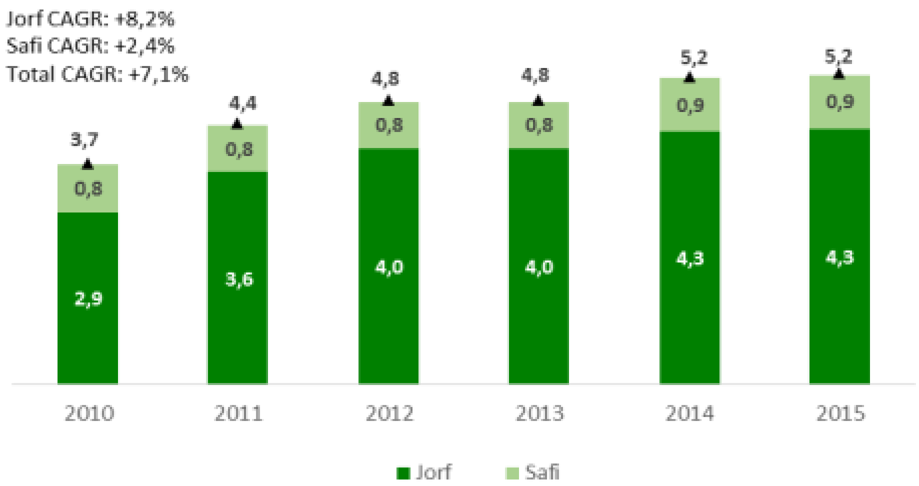
Source : OCP SA, IFRS net of intra-group transactions

(ii) Fertilizers operations

The total OCP Group's production of fertilizers amounts to 5.2 million tons as at the end of 2015, more than 83% of which was produced in Jorf Lasfar.

The evolution of fertilizers production volumes between 2010 and 2015 is presented below:

Evolution of fertilizers production volumes between 2010-2015 (in million tons)

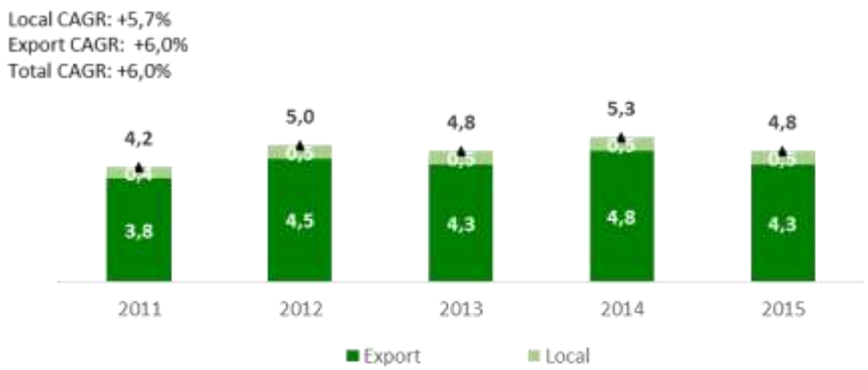


Source : OCP SA

The volumes of fertilizers produced have shown an upward trend since 2010. Similar to phosphate rock, this rise is supported by the demand for fertilizers.

The evolution of sold fertilizers volumes between 2011 and 2015 is presented below:

Evolution of fertilizers volumes sold (in million P2O5 tons)



Source : OCP SA, IFRS net of intra-group transactions

PART III. FINANCIAL INFORMATION

I. OCP GROUP CONSOLIDATED BALANCE SHEET

The following table shows the main items of the Group's consolidated balance sheet for the periods ending on December 31th, 2013, 2014, 2015 and on June 30th, 2016:

In MMAD	June 30, 2016	December 31, 2015	December 31, 2014	December 31, 2013
ASSETS				
Current assets				
Cash and Cash equivalents	10 421	9 246	8 996	5 440
Cash financial assets	3 527	7 097	4 767	4 627
Inventories	10 075	10 224	9 039	7 832
Trade receivables	5 737	5 409	6 412	3 843
Other current assets	9 511	10 836	9 713	19 536
Total current assets	**39 272**	**42 812**	**38 927**	**41 277**
Non-current assets				
Non-current financial assets	13 194	11 227	13 072	2 632
Investments in associates	3 316	3 437	2 668	2 296
Deferred tax assets	92	195	110	135
property, plant and equipment	88 804	83 981	73 360	55 944
Intangible assets	170	187	109	71
Total non-current assets	**105 576**	**99 027**	**89 319**	**61 079**
Total assets	**144 849**	**141 839**	**128 247**	**102 355**

Source: OCP SA

In MMAD	June 30, 2016	December 31, 2015	December 31, 2014	December 31, 2013
LIABILITIES				
Current liabilities				
Current loans and financial debts	6 214	4 798	4 418	3442
Current provisions	151	142	24	7
Trade payables	14 970	13 945	15 903	11 328
Other current liabilities	7 366	7 412	10 117	6 053
Total current liabilities	**28 700**	**26 298**	**30 461**	**20 830**
Non-current loans and financial debts	46 536	46 792	35 589	17 206
Non-current provisions for employee benefits	4 691	4 477	4 216	9172
Other non-current provisions	644	449	324	234
Deferred tax liabilities	289	45	67	46
Total non-current liabilities	**52 161**	**51 763**	**40 196**	**26 658**
Issued capital	8 288	8 288	8 288	8 288
Paid-in capital	18 698	18 698	18 698	18 698
Consolidated reserves	33 929	28 780	25 232	20 795
Net profit for the period	3 069	8 011	5 077	7 087
Shareholder's equity	**63 983**	**63 776**	**57 294**	**54 867**
Non-controlling interests	5	3	296	0
Total Equity	**63 988**	**63 778**	**57 590**	**54 867**
Total equity and liabilities	**144 849**	**141 839**	**128 247**	**102 355**

II. OCP GROUP CONSOLIDATED INCOME STATEMENT

The following table presents the historical figures of the Group's consolidated income statement for the periods ending on December 31st of 2013, 2014, 2015 and on June 30th, 2016:

In MMAD	S1 2016	S1 2015	2015	2014	2013
REVENUE	**21 656**	**23 895**	**47 747**	**41 436**	**38 986**
Production held as inventory	-377	695	2 205	250	-131
Purchases consumed	-7 587	-8 780	-17 404	-16 456	-14 293
External expenses	-3 356	-3 447	-7 241	-6 480	-6 112
Personnel Expenses	-4 076	-3 989	-8 093	-8 102	-8 270
Added-Value	**10 336**	**12 363**	**25 307**	**18 750**	**18 450**
% Added-value (AD/Revenue)	*48%*	*52%*	*53%*	*45%*	*47%*
Taxes	-176	-156	-244	-241	-231
Profit (loss) of equity-accounted operating companies	-64	173	358	312	-69
Exchange gains and losses on operating receivables and payables	-104	205	329	706	19
Other operating income and expenses	-1	37	0	-22	-55
EBITDA	**5 916**	**8 634**	**17 659**	**11 402**	**9 845**
EBITDA margin (EBITDA / Revenue)	*27%*	*36%*	*37%*	*28%*	*25%*
Amortization, depreciation and operating provisions	-2 047	-1 446	-3 840	-2 304	-1 394
Current operating income	**3 869**	**7 188**	**13 820**	**9 099**	**8 451**
Other non-current operating income and expenses	76	-214	145	-167	418
OPERATING PROFIT	**3 946**	**6 975**	**13 965**	**8 932**	**8 869**
Operating margin (OP / Revenue)	*18%*	*29%*	*29%*	*22%*	*23%*
Cost of gross financial debt	-481	-384	-591	-425	-479
Financial income from cash investments	468	243	228	311	756
Cost of net financial debt	**-13**	**-141**	**-363**	**-114**	**277**
Exchange gains and losses on financial receivables and payables	493	-1 584	-2 188	-2 262	49
Other financial income and expenses	12	-3	-986	-330	52
Financial profit	**492**	**-1 728**	**-3 537**	**-2 707**	**378**
PROFIT BEFORE TAX	**4 438**	**5 246**	**10 428**	**6 225**	**9 246**
Pre-tax margin (PBT /Revenue)	*20%*	*22%*	*22%*	*15%*	*24%*
Corporate income tax	-1 370	-1 249	-2 418	-1 152	-2 159
NET PROFIT FOR THE PERIOD	**3 068**	**3 997**	**8 010**	**5 073**	**7 087**
Net margin (NP / Revenue)	*14%*	*17%*	*17%*	*12%*	*18%*
Net profit – Group share	3 069	3 997	8 011	5 077	7 087
Net profit – Non controlling interests	-	-	-	-4	-
BASIC AND DILUTED EARNINGS PER SHARE IN MAD	**37.36**	**48.66**	**97.52**	**61.81**	**86.28**

Source: OCP SA

PART IV. RISK FACTORS

I. RISKS RELATED TO THE PHOSPHATE AND FERTILIZERS INDUSTRY

I.1 THE GROUP OPERATES IN A CYCLICAL SECTOR

The international market of fertilizers and other phosphate-derived products is impacted by periodic imbalances of supply and demand. Periods of high demand and rising prices lead industry players to invest in new facilities implying an increase in the production. When the supply exceeds the demand, the resulting overcapacity and falling prices lead to a restriction on investments and the beginning of a new cycle.

I.2 DEMAND FOR FERTILIZERS MAY BE VOLATILE IN RESPONSE TO MACROECONOMIC FACTORS

The Group operates on a global basis and generally attempts to mitigate reduced sales volumes in a particular region experiencing adverse economic conditions by increasing sales in regions where economic conditions are more favorable. Such mitigation, however, can be difficult when economic conditions are unfavorable globally.

I.3 THE OPERATIONS OF OCP GROUP ARE CLOSELY RELATED TO THE AGRICULTURAL SECTOR

The Group's operations largely depend on the agricultural sector and are substantially affected by the same trends that impact the latter, including agricultural products prices, adverse weather conditions and seasonality.
The following factors could have an impact on OCP Group's activity:

- Lower agricultural product prices may impact negatively agricultural production, which could decrease demand for fertilizers and result in downward pressure on fertilizers prices;
- Replacement of fertilizer application with other products or techniques aimed at improving crop yield (such as GMOs) could result in a decline in fertilizer use;
- Adverse weather conditions and climate change in some regions which may lead to decline in demand for fertilizers;
- Fertilizers application periods differ from region to region, which may lead to significant fertilizers' demand variation throughout the year. In addition, the purchase timing of farmers and distributors can increase the seasonality of the business.

I.4 THE GROUP IS EXPOSED TO GOVERNMENT POLICIES

The Group is exposed to governmental policies in Morocco and its export countries as well as in the countries where its raw materials' suppliers operate, including:
- Export and import duties on fertilizers and import or export quotas on phosphate products;
- The allocation of subsidies to farmers;
- Environmental policies pertaining to heavy metals;
- Trade barriers such as antidumping duties and quotas.

II.5 RISKS RELATED TO COMPETITION

The Group faces intense competition from foreign producers. Phosphate rock, phosphoric acid and phosphate-based fertilizers are global commodities. Customers base their purchasing decisions primarily on the price of delivery, customer service, product quality and time to market.

OCP competes with a number of foreign producers, including some producers that benefit from government support as state owned or government-subsidised entities. Some of the Group's competitors may have competitive advantages similar to, or even superior to those of the Group.

These benefits include control over certain raw materials or access to low-cost raw materials, access to low-cost financing, geographical proximity to major suppliers or customers, or long-standing commercial relationships with international market players.

II. RISKS RELATED TO THE GROUP'S OPERATIONS

II.1 CAPITAL EXPENDITURE PROGRAM

The Group is engaged in a significant capital expenditure program. As part of these projects, the Group is exposed to various risks that could affect its ability to implement its program within budget and on time, and consequently, to achieve the efficiency gains and cost reductions expected in the investment program.
The program is funded partially by cash flows from operating activities in addition to external funding. The Group's business and financial condition may be adversely affected if it is unable to raise the necessary funds on acceptable cost and terms.

II.2 RISK RELATED TO JOINT-VENTURES

OCP'S Group conducts some of its production capital partnerships resulting in joint ventures in which it can sometimes have minority interests.

OCP is party to several joint-venture entities and agreements relating principally to phosphoric acid and purified phosphoric acid production, either directly or through its subsidiaries. The Group holds a 50% or less interest in the majority of these joint ventures. Accordingly, while it has a certain degree of influence, OCP does not solely control the operations or the assets of these joint-venture entities nor can it unilaterally make major decisions with respect to such entities. This lack of majority control may constrain the issuer's ability to have such entities take actions that would be in the best interests of the Group or refrain from taking actions that would be adverse to the interests of the Group and may result in operational inefficiencies or delays, which could in turn, negatively affect the Group's business.

II.3 TRANSPORTATION

The cost of transportation has an impact on the overall cost of the product. As a result, when transportation costs rises, sales volumes may decline. The Group may also be required, in such cases, to reduce its margins so that the overall price of the product remains competitive.
The bulk of the group's exports are shipped by sea via the ports of Casablanca, Jorf Lasfar, Safi and the wharf at Laayoune. In case of adverse weather conditions, these facilities may experience disturbances which can make the group's products exports and imports of raw materials difficult.

II.4 INCREASING PRODUCTION COSTS COULD HAVE A NEGATIVE IMPACT ON THE GROUP'S BUSINESS

The Group needs to purchase Ammonia and sulfur as raw material in the production of phosphate derivatives. Their prices may be subject to changes, which may affect the Group's profitability, particularly if it fails to pass on this increase on its sale price.
If any of the Group's principal raw materials suppliers were to experience business interruptions or if the Group was unable to renew contracts with its suppliers, it could have a negative impact on the business and Group's earnings.

II.5 OPERATIONAL RISK RELATED TO THE INDUSTRY

The Group is exposed to a hazard risk related to the mining activities. This risk includes, amongst others, risks associated with blasting operations, accidents related to construction activities and the collapse of the mine walls. The occurrence of these risks could have an impact on production costs and cause serious human and material damage.
Moreover, the Group's business involves the use and storage of chemicals and hazardous substances whose impact on the environment could be disastrous in case of leakage or explosion.

II.6 NATURAL CATASTROPHE RISK

The Group's facilities may be damaged as a result of unforeseen events, including natural disasters such as floods or fires causing property damages, loss or death.

II.7 FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risk principally because its reporting currency is Moroccan Dirhams and the major part of the Group's revenues is derived from export sales and received in USD. In addition, OCP Group conducts its purchases of raw materials (sulfur, ammonia) by freight services and a substantial part of its industrial purchasing is in USD. Therefore, the USD/MAD exchange rate, particularly a weaker US dollar compared to the MAD, may have a negative impact on the Group's operational earnings, causing an increase in interest expense on USD-denominated debt.
The Group is also indirectly impacted by the exchange rate to which customers are exposed. In case of an appreciation of the USD against the MAD, the customers' purchasing power decreases, and the Group's sales are impacted.

II.8 INTEREST RATE RISK

Interest rates are subject to factors beyond the Group's control, including the policies of central banks, economic conditions and, in general, political factors.
A rise in interest rates will result in an increased interest expense of the Group, mainly relative to non-incurred debts.

II.9 FINANCING AND REFINANCING RISK

OCP may not be able to obtain financing, or refinancing for its current borrowings, on commercially acceptable terms, if at all.

As of December 31st, 2015, the Group's total outstanding loans amounted to 51.6 billion MAD. If the Group's cash flow is insufficient to repay its loans, it will have to renegotiate them or seek alternative financing from the capital markets.

The Group's ability to raise alternative financing or to renegotiate loans on commercially acceptable terms, or at all, depends, among other factors, on the general conditions of the domestic and international capital markets.
If alternative financing becomes necessary, the Group may not be able to obtain such financing or at least not on acceptable commercial terms.

III. RISKS RELATED TO THE OFFERED NOTES

The risk factors listed herein should not be considered as exhaustive, and may not cover all the risks that investing in the present notes involve.

Potential investors should be aware that the offered notes are subject to the following main risks:

III.1 RISK RELATED TO THE NATURE OF THE NOTES AND THE TYPE OF TARGETED INVESTORS

The notes may not be a suitable investment for all investors. Each potential investor must make its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with the help of a financial adviser.

It should be noted that the subscriptions to the notes are limited to qualified investors under Moroccan law, as listed in the present Prospectus. The trading of such notes on the secondary market is limited to the qualified investors listed in the present Prospectus. (See "Notes tradability"). Furthermore, there are no instruments similar to the offered notes on the Moroccan market, which implies a lack of benchmark in terms of the notes conditions, including the offered risk premium.

III.2 RISK RELATED TO THE RANKING OF THE NOTES

The issued notes are subordinated securities. The principal and interest pertaining to the notes are direct, unconditional, unsecured and subordinated obligations and are and will be senior solely to the Issuer's equity securities. In the event of any judgment rendered by any competent court declaring the judicial liquidation of the Issuer, or in the event of a transfer of the whole of the business of the Issuer subsequent to the opening of a legal redress, or if the Issuer is liquidated for any other reason, the rights of the note holders' to payment under the notes will be subordinated to the full payment of the unsubordinated creditors and of the ordinary subordinated creditors of the Issuer. Thus, the note holders face a higher risk of no repayment than holders of unsubordinated and ordinary subordinated obligations of the Issuer.

III.3 RISK RELATED TO THE PERPETUAL NATURE OF THE NOTES

The notes are perpetual securities, with no specified maturity date. The issuer is under no obligation to redeem the notes at any time. The note holders have no right to require redemption of the notes, except if a judgment is issued for the judicial liquidation of the Issuer or for the sale of the whole of the business following a legal redress of the Issuer or in the event of the liquidation of the Issuer for any other reason. Note holders should therefore be aware that the principal amount of the Notes may not be repaid and that they may lose the value of their capital investment.

III.4 RISK RELATED TO OPTIONAL REDEMPTION

The securities are perpetual notes of the Issuer with no fixed maturity date but may be redeemed at the option of the issuer as from year 10 and at any time in the event of the occurrence of a rating methodology

event (see "Other Case of Optional Redemption"). Such early redemption may have an impact on the expected maturity of the notes and the note holders' reinvestment conditions.
It should be noted that the early redemption is at par (principal and payable coupon) and could occur at a time when the market value of the note is greater than the amount offered by the Issuer.

III.5 RISK RELATED TO COUPON PAYMENT DEFERRAL

On any applicable interest payment date, the Issuer may elect to defer payment of all (but not some only) of the interest accrued to that date, and any failure to pay shall not constitute a default by the Issuer subject to compliance with the restriction on *pari-passu* and junior tranches remuneration (see "Restriction on *Pari-Passu* and Junior Tranches Remuneration"). Deferred interest payments, even if they bear interest, expose note holders to reinvestment risk in the event that the deferred interest occurs during a period when the market rates for an equivalent risk is higher than the rate offered by the notes.

III.6 RISK RELATED TO INTEREST RATES FLUCTUATIONS

The value of the notes depends, among other factors, on the prevailing interest rates on the market. Thus, fluctuations in interest rates on the market can negatively impact the value of the notes. Moreover, the existence of options in favor of the issuer (redemption option, deferred interest option, etc.) means that the sensitivity of the notes to fluctuations in interest rates is different from that of notes with no options.

III.7 RISK RELATED TO A METHODOLOGY EVENT

A rating methodology event may occur after the notes issue, and might authorize the Issuer, subject to a prior notice to the note holders, to redeem the notes. (See "Other Case of Optional Redemption").

III.8 RISK RELATED TO THE AMOUNT OF DEBT THE ISSUER CAN ISSUE OR SECURE

There are no restrictions in the terms of the securities regarding the amount of debt that the Issuer may raise or guarantee. The Issuer and its subsidiaries and affiliates may raise additional debt or provide collateral relative to third parties' debt, including debt or collateral ranking *pari-passu*, or senior to the notes. The issuance of such securities or any other debt could reduce the recovery rate of a note holder in the case of liquidation of the Issuer for any reason and / or could increase the probability of a interest deferral on the notes.

III.9 RISK RELATED TO LIQUIDITY AND TRADABILITY

The notes are subject to a restriction on tradability on the secondary market (see "Notes tradability"), which could reduce the liquidity of the notes compared to other notes which are not subject to restrictions.

DISCLAIMER

The aforementioned information is only a part of the information given in the prospectus approved by the Moroccan Capital Market Authority (AMMC) under the reference n° VI/EM/031/2016/D on December 9th, 2016.
The AMMC recommends reading the full prospectus made available to the public in French.

Exhibit II-4

L'OCP: L'Office Chérifien des Phosphates

L'OCP compte près de 20.000 collaborateurs qui sont implantés principalement au Maroc sur 4 sites miniers et 2 complexes chimiques - (ph:DR)

TOUT SAVOIR SUR L'OCP: L'OFFICE CHÉRIFIEN DES PHOSPHATES

Sophia Maazouz 14/11/2016 Dossier

L'OCP: Le géant des phosphates made in Morocco.

Le 07 Août 1920, l'Office Chérifien des Phosphates (OCP) a été fondé au Maroc. C'est à partir de cette date que naît l'un des mastodontes de l'économie marocaine. L'OCP occupe une place particulière dans l'histoire industrielle du Maroc. C'est en 2008 que l'Office a été transformé en une Société Anonyme (OCP SA). C'est l'un des principaux exportateurs de phosphate brut, d'acide phosphorique et d'engrais phosphatés dans le monde.

Mostafa Terrab est à la tête du Groupe. L'OCP compte près de 20.000 collaborateurs qui sont implantés principalement au Maroc sur 4 sites miniers et 2 complexes chimiques, ainsi que sur d'autres sites internationaux. L'Office détient plusieurs filiales à l'intérieur et à l'extérieur du Maroc. En 2014, son chiffre d'affaires (CA) s'élevait à 41,4 milliards de dirhams. Focus sur cette "success story".

De l'ouverture de la première mine à la création de l'OCP

Ouverture de la 1ère mine à Boujniba

L'OCP a démarré son activité d'extraction et de traitement d'expédition du phosphate le 1er mars 1921. Cette date a particulièrement été marquée par l'ouverture de la première mine à Boujniba, dans le gisement de Khouribga. Ce gisement de phosphate est le plus riche du monde. C'est aussi en 1921 que l'acheminement du phosphate jusqu'au port de Casablanca a débuté. Cet acheminement a permis d'effectuer la première exportation de phosphate, le 27 juillet 1921.

Création de l'Office Chérifien des Phosphates

Un développement industriel progressif

La production du Groupe a progressivement augmenté. En 1954, la production a atteint les 5 millions de tonnes. Depuis, sa production a continué à se développer et a finit par dépasser le seuil de 10 millions en 1964 et de 20 millions de tonnes en 1979.

C'est entre 1951 et 1961 que les installations de séchage et de calcination se sont développées dans les régions de Khouribga et Youssoufia. À ce moment précis, l'Office a pour objectif de poursuivre sa croissance et de gagner de nouveaux marchés à l'échelle internationale. En 1965, la société Maroc Chimie est chargée de la production de différents produits dérivés du phosphate grâce à une usine construite à Safi.

C'est aussi en 1965 que les premières exportations de produits dérivés du phosphate démarrèrent.

Quand l'Office Chérifien des Phosphates devient le Groupe OCP

C'est en 1975 que l'Office Chérifien des Phosphates devient le Groupe OCP.

Le Groupe OCP investit dans la création de nouvelles lignes de production (on pense notamment à **Jorf Lasfar**). En 1982, des travaux de construction d'un nouveau complexe chimique commencent.

Ces nouvelles structures industrielles sont destinées à la production d'acide sulfurique et d'acide phosphorique. Elles deviendront effectives à partir de 1986. En 1987, suivront les lignes de production d'engrais.

En 1994, le Groupe OCP entame un nouveau projet minier à Sidi Chennane, dans la zone de Khouribga. Le lancement des travaux de construction de l'usine d'acide phosphorique purifié à Jorf Lasfar se fera 1996 et son démarrage effectif en 1998.

Et c'est en 2008 que l'OCP devient une société anonyme.

EVERYTHING YOU NEED TO KNOW ABOUT THE “OCP”: the Office Chérifien des Phosphates

Sophia Maazouz - 11/14/2020 - issue

OCP: The global phosphate giant made in Morocco.

On August 7th, 1920, the “Office Chérifien des Phosphates” (OCP) was founded in Morocco. It is from this date that one of the mastodons of the Moroccan economy was born. The OCP occupies a special place in the industrial history of the country. In addition, it is one of the main exporters of raw phosphate, phosphoric acid and phosphate fertilizers worldwide. In 2008, the office was transformed into a Limited Company (OCP Ltd).

The OCP has around 20,000 employees mainly based in Morocco on 4 mining sites and 2 chemical complexes, as well as on other international sites. it owns several subsidiaries inside and outside the country. In 2004, its turnover amounted to MAD 41.4 billion. Mostafa Terrab is the head of the Group.

From the opening of the first mine to the creation of the OCP

The opening of the first mine in Boujniba

On March 1st, 1921, the OCP started its phosphate mining and processing operations. This date was marked by the opening of the first mine at Boujniba, in the Khouribga field. This phosphate deposit is considered to be the richest deposit in the world. Thus, the transportation of phosphate to the port of Casablanca began 1921. Furthermore, the first phosphate export was implemented later during the same year on July 27th

A Progressive industrial development

The Group's production has increased gradually. In 1954, production reached 5 million tons. Since then, its production has continued to grow and was able to exceed 10 million tons in 1964, and 20 million tons in 1979.

Between 1951-1961 drying and calcination facilities were developed in the regions of Khouribga and Youssoufia. During that time, the Board’s objective was to continue its growth and expand in new international markets.

In 1965, through a factory built in Safi, “Maroc Chimie” was entrusted with the production of various phosphate-derived products.

Furthermore, the first exports of phosphate derivatives began in 1965.

The “Office Chérifien des Phosphates” becomes the “OCP Group”

In 1975, the Office Chérifien des Phosphates became the OCP Group.

The OCP Group invested in the creation of a new product line (**Jorf Lasfar** in particular). In 1982, work began on the construction of a new chemical complex.

These new industrial structures were intended to produce sulfuric and phosphoric acid and would become effective by 1986. In addition, in 1987, the production line of fertilizer followed.

In 1994, the OCP Group started a new mining project at Sidi Chennane, in the area of Khouribga. Afterwards, the construction of the purified phosphoric acid plant in Jorf Lasfar would then start in 1996 and would be effectively implemented in 1998.

Finally, in 2008, the OCP became a limited company.

Exhibit II-5

OECD Investment Policy Reviews

MOROCCO

OECD Investment Policy Reviews Morocco 2010

opening, expansion and modification of private higher education establishments

Private preschool, primary and secondary education: Foreigners serving as teachers or managers in such establishments must have a work permit that takes account of needs in the sector.

Source:
Law No. 06-00 of 19 May 2000 on the status of private education; Application Decree 2-00-1015 of 22 June 2001

Private medical clinics and laboratories for medical biology analysis: Foreigners may establish, direct or manage such establishments only if they are permanent residents of Morocco, the spouse of a Moroccan citizen, or nationals of a State that has concluded an agreement of reciprocity with Morocco authorising the nationals of each State to establish, direct or manage such establishments in the territory of the other State.

Sources:
Law No. 10-94 of 21 November 1996 on the practice of medicine
Law No. 12-01 of 7 November 2002 on private laboratories for medical biology analysis (Articles 3 and 6); Application Decree 2-05-752 of 13 July 2005

B. Measures reported for transparency by territorial subdivisions

None.

C. Private or mixed (public-private) monopolies

At the national level

I. Public monopolies

Phosphate: Phosphate exploration is a State monopoly operated by the *Office chérifien des phosphates* (OCP). The OCP was transformed into a State corporation and its shares may be held only by State establishments and corporations.

Sources:
Dahir of 16 April 1951 on mining regulation in Morocco
Dahir of 27 January 1920 creating the *Office chérifien des phosphates* (OCP)
Law No. 46-07 of 26 February 2008 transforming the OCP into a corporation

Rail transport: Rail passenger and goods transportation and pushing and towing services are State monopoly, held by the *Office national des chemins de fer* (ONCF), which will be transformed in 2010 into a corporation, the *Société marocaine des chemins de fer* (SMCF) with 100% of capital owned by the State.

Exhibit II-6

CREATING MARKETS IN MOROCCO

A SECOND GENERATION OF REFORMS: BOOSTING
PRIVATE SECTOR GROWTH, JOB CREATION AND SKILLS UPGRADING

Country Private Sector Diagnostic

OCTOBER 2019

WORLD BANK GROUP
THE WORLD BANK IBRD • IDA
IFC International Finance Corporation

ANNEX 4: A GRADUAL PATH TOWARD SUCCESS: LESSONS FROM THE CORPORATIZATION OF THE OCP IN MOROCCO

The Office Chérifien des Phosphates (OCP) was transformed into a limited company (société anonyme) in 2008, after operating as an ad hoc statutory SOE under conditions of great opacity. Through the corporatization process, the OCP underwent a series of restructuring measures geared toward enhancing its ability to compete in international markets.[124] The OCP is a leading producer and the world's largest exporter of phosphate rocks, phosphoric acid, and phosphate fertilizers. It is also the largest company in Morocco (public and private) and has over 20,000 employees. The OCP is an interesting example of SOE reform in which the four SOE reform principles were implemented to different degrees. OCP management has definitely gained managerial autonomy and the financial means to invest and recruit, while the company continues to have a large developmental mandate for the country.

The OCP remains heavily controlled by the state; its board is composed exclusively of political appointees (no independent board members), but its chief executive officer (CEO) has a managerial profile. The state (through the Ministry of Finance) remains the sole shareholder, and a small stake in the capital (about 5 percent) is held by the Banque Centrale Populaire (BCP), a partially privatized state bank. The OCP's board, the unitary type, has 10 members, in addition to its chair and the CEO. Its functions are comparable to those of private sector entities. Directors, however, remain essentially politicians and senior officials: three are ministers, five are secretaries general of various ministries, and the remaining two are the head of the Treasury and the CEO of BCP. All are appointed by the government or the king. By contrast, the executive team is composed of a series of professionals with a business background. They are recruited by the board, which also sets their remuneration.

The OCP assumes a vast developmental mandate in a variety of areas alongside its commercial mandate. This includes the promotion of agriculture (such as mapping fertile lands in Morocco, promoting the sustainable use of fertilizers by small farmers, or promoting innovative agricultural projects through its innovative agricultural fund), the promotion of employment (such as a large training programs for youth known as OCP Skills and an initiative to fund small and medium enterprise development), the promotion of the chemical industry sector (with the proposal that some OCP facilities be made available to the industry such as laboratories for research and development), and its overall participation in a debate on how to promote food security worldwide (conceived as a public policy mandate).

The OCP has gained autonomy in day-to-day management and has reformed its organizational structure to look like that of a private sector firm. It has also become much more transparent, in particular in the area of financial disclosure. It was able to borrow money from financial markets without a state guarantee and to invest massively. In a difficult world economic context, it was also able to maintain its lead exporter position.

When corporatized, the OCP was granted monopoly status through Law 46-07. The law also provides that the conditions for the exploitation of phosphates will be set in a separate contract to be concluded with the state. Such a contract, however, was never concluded, and the exact scope of the monopoly granted to the OCP is therefore not very clear.[125] No debate is documented as well on whether opening the exploitation of phosphates in Morocco to the private sector was considered.

All labor contracts were transferred without any change (Law 46-07 specified that this transfer could not result in a less favorable situation for employees, including pensions and medical coverage). No massive departure program was implemented further to the corporatization, although a voluntary departure program resulted in the departure of about 800 employees. A significant reorganization of human resources management was also launched with the objective of instilling market dynamics into labor

Exhibit II-7

CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2019

Sommaire

Key figures

(In millions of dirhams)	Note	1st half-year 2019	1st half-year 2018
Revenue	4.1.1.2	**27,582**	**26,599**
Profit (loss) from joint ventures		166	150
EBITDA		**8,480**	**8,008**
Operating profit (loss) before non recurring items		4,630	4,485
Cost of net financial debt	10.1.5	(667)	(805)
Net profit (loss) - Group share		**2,055**	**1,885**
Consolidated equity - Group share		76,771	76,365
Net financial debt		39,068	44,972
Net operating investments		5,856	5,140
Basic and diluted earnings per share (in dirhams)		**22.53**	**21.48**
Dividend per share (in dirhams)	12.2	**44.73**	**30.17**

Significant events of the period

Business

- Boosting investments in environmental projects with the implementation of the innovative ecological solution «Sulfacid» in Jorf. This solution aims to reduce SO^2 emissions at the sulfuric acid production lines (the deployment of this solution in Safi is under completion), and the implementation of the Hexapluorine Wash project to limit the emission and the concentration of fluorinated gases in order to respect the admissible thresholds by international standards and requirements.

- Progress of the Phosboucraâ project with the start of work at the port of Laâyoune in order to increase the port and logistics capacities, and pursuit of work at the laundering level for the treatment of new phosphate layers.

Impact of the first application of IFRS 16 for the OCP Group

Since January 1st, 2019, the Group has applied IFRS 16 «Leases» according to the «simplified retrospective» transition method: the cumulative effects of the first application were close to zero and therefore had no impact on opening equity at January 1st, 2019. In addition, the 2018 data, presented for comparative purposes, have not been adjusted.

With the application of this new standard, OCP Group now accounts for all of its leases in the balance sheet, except for contracts with a term of less than 12 months or for contracts of value unitary new to less than $ 5,000. (see Note1-1.2-A)

Events after the reporting period

No significant events after the reporting period have been noted.

Consolidated Statement of Profit and Loss

(In millions of dirhams)	Note	1st half-year 2019	1st half-year 2018
Revenue	**4.1.1.2**	**27,582**	**26,599**
Production held as inventory		1,903	979
Purchases consumed	4.2.2	(11,648)	(10,555)
External expenses	4.2.2	(4,827)	(4,716)
Personnel expenses	5.1	(4,518)	(4,337)
Taxes		(214)	(176)
Profit (loss) from joint ventures		166	150
Exchange gains and losses on operating receivables and payables		(56)	47
Other operating income and expenses		92	16
EBITDA		**8,480**	**8,008**
Amortization, depreciation and operating provisions	8.3 - 9.1	(3,850)	(3,523)
Operating profit (loss) before non recurring items		**4,630**	**4,485**
Other non-recurring operating income and expenses	7.1	(803)	(372)
Operating profit (loss)		**3,828**	**4,114**
Cost of gross financial debt		(976)	(883)
Financial income from cash investments		310	79
Cost of net financial debt	10.1.5	**(667)**	**(805)**
Exchange gains and losses on financial receivables and payables	10.2.2	25	(563)
Other financial income and expenses	10.2.2	(108)	(267)
Financial profit (loss)		**(750)**	**(1,634)**
Profit (loss) before tax		**3,078**	**2,479**
Corporate Income Tax	11.2	(941)	(499)
Net profit (loss) for the period		**2,137**	**1,980**
Net profit (loss) - Group share		2,055	1,885
Net profit (loss) - Non-controlling interests		82	95
Basic and diluted earnings per share in dirhams		**22.53**	**21.48**

Consolidated Statement of Comprehensive Income

(In millions of dirhams)	*1st half-year 2019*	*1st half-year 2018*
Net profit (loss) for the period	**2,137**	**1,980**
Actuarial gains or losses	(302)	27
Taxes	54	(5)
Items that will not be reclassified to profit or loss	**(248)**	**22**
Translation differences	8	(19)
Revaluation of financial assets at fair value through equity		(379)
Share of gains and losses recognized in equity on joint ventures (CFH variation)	(17)	24
Items that may be reclassified to profit or loss	**(9)**	**(374)**
Income and expenses for the period, recognized directly in equity	**(257)**	**(352)**
Consolidated comprehensive income	**1,880**	**1,628**
Including Group share	1,798	1,533
Including non-controlling interests' share	82	95

Consolidated Statement of Financial Position

(In millions of dirhams)	*Note*	*30 June 2019*	*31 December 2018*
ASSETS			
Current assets			
Cash and cash equivalents	10.1.3.1	13,747	17,141
Cash financial assets		3,040	5,654
Inventories	4.2.4	14,554	13,213
Trade receivables	4.1.2.2	9,324	10,279
Other current assets	7.2	12,533	9,383
Total current assets		**53,197**	**55,669**
Non-current assets			
Non-current financial assets	10.2.1	984	872
Investments in equity-accounted companies	6.1	3,710	3,802
Deferred tax assets		34	16
Property, plant and equipment	8.1	105,104	101,589
Intangible assets	8.2	675	510
Total non-current assets		**110,506**	**106,788**
Total Assets		**163,704**	**162,458**

(In millions of dirhams)	*Note*	*30 June 2019*	*31 December 2018*
LIABILITIES			
Current liabilities			
Current loans and financial debts		7,291	7,123
Current provisions	9.2	356	328
Trade payables		14,103	12,230
Other current liabilities	7.3	8,435	5,257
Total current liabilities		**30,185**	**24,939**
Non-current liabilities			
Non-current loans and financial debts		48,564	50,864
Non-current provisions for employee benefits	9.2	4,971	4,616
Other non-current provisions	9.2	787	757
Deferred tax liabilities		1,081	993
Total non-current liabilities		**55,403**	**57,230**
Equity - Group share			
Issued capital	12.1	8,288	8,288
Paid-in capital		18,698	18,698
Consolidated reserves - Group share		47,731	46,450
Net profit (loss) - Group share		2,055	5,424
Equity - Group share		**76,771**	**78,859**
Non-controlling interests		1,345	1,430
Total equity		**78,116**	**80,290**
Total equity and liabilities		**163,704**	**162,458**

Variation des capitaux propres consolidés

(In millions of dirhams)	*Issued capital*	*Paid-in capital*	*actuarial gains or losses*	*Subordinated debt*	*Other consolidated reserves*	*Translation difference*	*Assets at fair value through equity*	*Share of gains and losses recognized in equity for equity-accounted (CFH variation)*	*Net profit (loss)*	*Total equity - Group share*	*Non-controlling interests*	*Total equity*
Equity as at 31 December 2017	**8,288**	**18,698**	**(2,370)**	**4,817**	**38,642**	**(223)**		**(9)**	**4,567**	**72,411**	**1,419**	**73,830**
Allocation of profit (loss) for FY 2017					4,567				(4,567)			
Consolidated comprehensive income for 1st half-year 2018			**22**			**(19)**	**(379)**	**24**	**1,885**	**1,533**	**95**	**1,628**
The issue of subordinated debts				5,000						5 000		5,000
Subordinated debt's coupons				(120)						(120)		(120)
Dividends paid					(2,478)					(2 478)	(170)	(2,648)
Others					19					19		19
Equity as at 30 June 2018	**8,288**	**18,698**	**(2,348)**	**9,696**	**40,751**	**(241)**	**(379)**	**15**	**1,885**	**76,365**	**1,344**	**77,709**
Consolidated comprehensive income for 2nd half-year 2018			**(328)**			**6**	**(142)**	**(264)**	**3,540**	**2,812**	**83**	**2,894**
Subordinated debt's coupons				(208)						(208)		(208)
Others					(109)					(109)	4	(106)
Equity as at 31 December 2018	**8,288**	**18,698**	**(2,676)**	**9,489**	**40,642**	**(236)**	**(521)**	**(250)**	**5,425**	**78,859**	**1,430**	**80,290**
Policies' changes as at January 1st, 2019*					(294)					**(294)**		**(294)**
Equity as at 1st January 2019	**8,288**	**18,698**	**(2,676)**	**9,489**	**40,348**	**(236)**	**(521)**	**(250)**	**5,425**	**78,565**	**1,430**	**79,996**
Allocation of profit (loss) for FY 2018					5,425				(5,425)			
Consolidated comprehensive income for 1st half-year 2019			**(248)**			**8**		**(17)**	**2,055**	**1,798**	**82**	**1,880**
Subordinated debt's coupons				(204)						(204)		(204)
Change in scope					(9)					(9)	2	(7)
Dividends paid					(3,346)					(3,346)	(170)	(3,516)
Others					(33)					(33)		(33)
Equity as at 30 June 2019	**8,288**	**18,698**	**(2,924)**	**9,285**	**42,384**	**(228)**	**(521)**	**(267)**	**2,055**	**76,771**	**1,345**	**78,116**

(*) Change in accounting methods related to the first application of IFRIC 23 Interpretation «Uncertainty over Income Tax Treatments» as at January 1st, 2019.

Consolidated Statement of Cash Flows

(In millions of dirhams)	Note	30 June 2019	30 June 2018	31 December 2018
EBITDA		**8,480**	**8,008**	**17,076**
Subsidies and donations		(668)	(416)	(797)
Profit or loss of associates and joint ventures		(166)	(150)	(399)
Other movements		(473)	(147)	(504)
Funds from operations		**7,173**	**7,294**	**15,375**
Impact of the change in WRC:		**(839)**	**(4,323)**	**(6,820)**
Inventories		(1,325)	(1,507)	(3,008)
Trade receivables		958	(2,301)	(4,291)
Trade payables		*914*	*(447)*	*(416)*
Other current assets and liabilities		*(1,385)*	*(68)*	*895*
Taxes paid		(467)	(423)	(855)
Total net cash flows related to operating activities		**5,868**	**2,549**	**7,700**
Acquisitions of PP&E and intangible assets		(5,856)	(5,140)	(10,801)
Disposals of PP&E and intangible assets		48	50	95
Net financial investments		2,553	5	9,540
Impact of changes in scope		(0)		20
Acquisitions of financial assets		(54)	(50)	(440)
Dividends received		248	154	256
Total net cash flows related to investing activities		**(3,060)**	**(4,980)**	**(1,331)**
Loan issue		15	4,500	11,338
Loan repayment		(3,776)	(3,065)	(8,791)
Repayment of lease debts and related financial charges		(204)		
Issue of subordinated debt			5,000	5,000
Net financial interest payments		(1,064)	(1,095)	(2,504)
Dividends paid to Group shareholders		(1,006)	(1,000)	(2,478)
Dividends paid to minority shareholders		(170)		(170)
Total net cash flows related to financing activities		**(6,203)**	**4,340**	**2,395**
Impact of changes in exchange rates on cash and cash equivalents			(13)	(12)
Net increase/(decrease) in cash and cash equivalents		**(3,394)**	**1,895**	**8,752**
Opening cash and cash equivalents	10.1.3.1	17,140	8,388	8,388
Closing cash and cash equivalents	10.1.3.1	13,746	10,283	17,140
Change in net cash		**(3,394)**	**1,895**	**8,752**

Note 1- Accounting rules and methods

1.1. BASES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

OCP Group's half-year consolidated financial statements ended June 30th, 2019 include a set of condensed financial statements prepared and presented in accordance with the disposals of IAS 34 «Interim Financial Reporting». These financial statements should be read in conjunction with the IFRS consolidated financial statements as at December 31st, 2018.

They are presented with a comparison at January 1st, 2019 and June 30th, 2018.

The accounting principles and methods used to prepare OCP Group's half-yearly consolidated financial statements ended June 30th, 2019 are identical to those used for the preparation of the consolidated financial statements for the year ended December 31st, 2018. These financial statements are prepared in accordance with the accounting standards IFRS as adopted in the European Union, with the exception of those relating to standards, amendments and interpretations adopted by the European Union and newly applicable as of January 1st, 2019 (which had not been applied early by the Group).

1.2. STANDARDS AND INTERPRETATIONS APPLIED AT JANUARY 1, 2019

The impacts from January 1st, 2019 of applying IFRS 16 "Leases" and IFRIC 23 "Uncertainty over Income Tax Treatments" are described in Note 1.2

The other standards and interpretations mandatorily applicable from January 1st, 2019 have no material impact on OCP's consolidated financial statements at June 30th, 2019. These are mainly:

- Amendments to IFRS 9 "Prepayment Features with Negative Compensation";
- Amendments to IAS 28 "Investments in Associates and Joint Ventures";
- Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement";
- Annual Improvements 2015-2017.

A - IFRS 16 « Leases »

On January 1st, 2019, the Group applied IFRS 16 to leases in existence on the transition date according to the "simplified retrospective" approach. Therefore 2018 figures, presented for comparison purposes, have not been adjusted in accordance with the transitional provisions of IFRS 16.

IFRS 16 "Leases" results in major changes in the way that lessees recognise leases. It is replacing the IAS 17 accounting standard along with the IFRIC 4, SIC 15 and SIC 27 interpretations. IFRS 16 requires lessees to use a single method for recognising leases, affecting the balance sheet in a similar way to finance leases as recognised until December 31st, 2018 in accordance with IAS 17. The Group is not a party to any material leases in which it is the lessor, other than some intragroup leases. The accounting treatment of leases in which it is the lessor has not been substantially changed under IFRS 16 as compared with the accounting rules applicable until December 31st, 2018.

The Group applies the IFRS 16 provisions described below for all its leases relating to underlying assets whose value, in brand-new condition, is significant and/or where the lease term is more than 12 months taking into account renewal options included in the lease contract.

Leases designated as finance leases at December 31st, 2018

On the transition date, the Group did not adjust the value of assets and liabilities related to leases designated as finance leases under IAS 17. The assets were reclassified as usage rights and finance lease liabilities are now presented under overall lease liabilities. The provisions of IFRS 16 will be applied to events that may take place after the transition date.

Leases designated as operating leases at December 31st, 2018

Since IFRS 16 came into force, the Group has recognised a lease liability reflecting the sum of lease payments still to be made, discounted at the marginal interest rate of the liability determined according to the method explained below, with a balancing entry consisting of the right to use the underlying asset. According to the simplified approach, the amount of usage rights is equal to the amount of the lease liability recognised Leases with term less than 12 months or relating to low-value assets are still recognised in the income statement with no impact on the Group's balance sheet

Lease terms include the minimum lease terms and any renewal periods provided for in the lease
Variable lease payments or services related to the lease are not taken into account in determining the amount of the right of use and the lease liabilities, and are recognised as expenses when incurred.

To determine the marginal interest rate used to calculate the lease liability, the Group took into account the weighted average duration of payments and country risk.

As set out below, the first-time application of IFRS 16 resulted in a increase of the rights of use of tangible assets (technical equipment and transport equipment) and an increase in financial debts.

Consolidated Statement of Financial Position as January 1st, 2019 :

(In millions of dirhams)	*31 December 2018*	*IFRS 16 Impact*	*1st January 2019*
ASSETS			
Current assets			
Cash and cash equivalents	17,141		17,141
Cash financial assets	5,654		5,654
Inventories	13,213		13,213
Trade receivables	10,279		10,279
Other current assets	9,383		9,383
Total current assets	**55,669**		**55,669**
Non-current assets			
Non-current financial assets	872		872
Investments accounted for under the equity method	3,802		3 802
Deferred tax assets	16		16
Property, plant and equipment	101,589	1,602	103,191
Intangible assets	510		510
Total non-current assets	**106,788**	**1,602**	**108,389**
Total Assets	**162,458**	**1,602**	**164,060**

Notes to the Consolidated Financial Statements

(In millions of dirhams)	*31 December 2018*	*IFRS 16 Impact*	*1st January 2019*
LIABILITIES			
Current liabilities			
Current loans and financial debts	6,736	229	6,965
Financial Debts resulting from Murabaha	387		387
Current provisions	328		328
Trade payables	12,230		12,230
Other current liabilities	5,257		5,257
Total current liabilities	**24,939**	**229**	**25,168**
Non-current liabilities			
Non-current loans and financial debts	50,864	1,372	52,237
Non-current provisions for employee benefits	4,616		4,616
Other non-current provisions	757		757
Deferred tax liabilities	993		993
Total non-current liabilities	**57,230**	**1,372**	**58,603**
Equity - Group share			
Issued capital	8,288		8,288
Paid-in capital	18,698		18,698
Consolidated reserves - Group share	46,450		46,450
Net profit (loss) - Group share	5,424		5,424
Equity - Group share	**78,859**		**78,859**
Non-controlling interests	1,430		1,430
Total equity	**80,290**		**80,290**
Total aquity and liabilities	**162,458**	**1,602**	**164,060**

IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 supplements IAS 12 "Income Taxes" by specifying arrangements for measuring and recognising uncertainty relating to income tax.

Procedures carried out by the Group did identify a first-time application impacts that have been accounted for in equity.

1.3 STANDARDS AND INTERPRETATIONS ADOPTED BY THE IASB BUT NOT YET APPLICABLE AT 30 JUNE 2019

The Group has not applied early the following standards and interpretations that could concern the Group and of which application was not mandatory at January 1st, 2019:

- Amendments to IAS 1 and IAS 8 "Definition of Material";
- Amendments to IFRS 3 "Definition of a Business"

A study of the impacts and practical consequences of applying these amendments is under way. However, they do not contain any provisions that are contrary to the Group's current accounting practices.

Note 2- Consolidation Scope

2.1. CONSOLIDATION SCOPE

Company	Country of location	Currency	30 June 2019 Consolidation Equity methodthod	30 June 2019 % Interest	31 December 2018 Consolidation Equity methodthod	31 December 2018 % Interest
Industrial						
OCP S.A. - Holding	**Morocco**	**MAD**	**Parent Company**	**100.00**	**Parent company**	**100.00**
Phosboucraâ	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company I - JFC I	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company II - JFC II	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company III - JFC III	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company IV - JFC IV	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company V - JFC V	Morocco	MAD	Full	60.00	Full	60.00
Euro Maroc Phosphore- EMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
Indo Maroc Phosphore - IMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
Pakistan Maroc Phosphore - PMP	Morocco	MAD	Equity method	50.00	Equity method	50.00
Paradeep Phosphates Ltd. - PPL	India	INR	Equity method	50.00	Equity method	50.00
Groupe PRAYON	Belgium	EUR	Equity method	50.00	Equity method	50.00
Trading						
OCP Africa	Morocco	MAD	Full	100.00	Full	100.00
OCP Fertilizantes	Brazil	BRL	Full	100.00	Full	100.00
Black Sea Fertilizer Trading Company	Turkey	TRY	Full	70.00	Full	70.00
SAFTCO	Swiss	USD	Full	100.00	Full	100.00
Others						
OCP International	Netherlands	USD	Full	100.00	Full	100.00
OCP International SAS	France	EUR	Full	100.00	Full	100.00
Fondation OCP	Morocco	MAD	Full	100.00	Full	100.00
Fondation Phosboucraâ	Morocco	MAD	Full	100.00	Full	100.00
Université Mohammed VI Polytechnique - UM6P	Morocco	MAD	Full	100.00	Full	100.00
Lycée d'Excellence de Benguerir - Lydex	Morocco	MAD	Full	100.00	Full	100.00
Jacobs Engineering S.A. - JESA	Morocco	MAD	Equity method	50.00	Equity method	50.00
Dupont OCP Operations Consulting - DOOC	Morocco	MAD	Equity method	50.00	Equity method	50.00
Société d'Aménagement et de Développement de Mazagan - SAEDM	Morocco	MAD	Equity method	51.00	Equity method	51.00
Société d'Aménagement et de Développement Vert - SADV	Morocco	MAD	Full	100.00	Full	100.00
OCP Innovation Fund For Agriculture - OIFFA	Morocco	MAD	Full	100.00	Full	100.00
OCP Services	Morocco	MAD	Full	100.00	Full	100.00
Société de Transports Régionaux - SOTREG	Morocco	MAD	Full	100.00	Full	100.00
Centre d'Etudes et de Recherches des Phosphates Minéraux - CER	Morocco	MAD	Full	100.00	Full	100.00
OCP Solutions (Ex SMESI)	Morocco	MAD	Full	100.00	Full	100.00
TEAL Technology & Services - TTS	Morocco	MAD	Equity method	49.00	Equity method	49.00

2.2. SCOPE CHANGE

No change in consolidation scope occurred during the first half of 2019.

Note 3- Segment reporting

The presentation of the Group' segment information is made by production:

- **Northern Axis (Khouribga – Jorf Lasfar):** this axis hosts the integrated phosphate chemical processing hub. Phosphate extracted at Khouribga is transported by slurry pipeline to Jorf Lasfar, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the OCP port at Jorf Lasfar.

- **Central Axis (Youssoufia and Benguérir – Safi) and Phosboucraâ:** this axis hosts:
  - The integrated phosphate chemical processing hub. The phosphate extracted at Youssoufia and Benguérir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the Safi port,
  - Phosboucraâ's extraction site. The phosphate that is extracted there is transported by conveyer to the processing center at Laâyoune, then exported by sea from the Laâyoune port.

- **Head office and other activities:** it hosts the corporate activities and the activities of international entities.

3.1 INFORMATION BY OPERATING SEGMENT

(In millions of dirhams)	Northern Axis		Central Axis and Phosboucrâa		Head-office and Other activities		Intersegment eliminations		Total	
	1st half-year 2019	1st half-year 2018	1st half-year 2019	1st half-year 2018	1st half-year 2019	1st half-year 2018	1st half-year 2019	1st half-year 2018	1st half-year 2019	1st half-year 2018
Revenue	21,114	20,269	5,857	6,177	1,746	1,665	(1,135)	(1,511)	27,582	26,600
Production held as inventory	1,392	498	490	202	20	278			1,903	979
Purchases consumed	(9,083)	(8,298)	(1,846)	(1,922)	(1,723)	(1,664)	1,003	1,330	(11,648)	(10,555)
External expenses	(2,583)	(2,483)	(1,257)	(1,295)	(1,268)	(1,148)	281	211	(4,827)	(4,715)
Personnel expenses	(2,108)	(2,002)	(1,389)	(1,373)	(1,021)	(975)		11	(4,518)	(4,339)
Taxes	(104)	(98)	(38)	(38)	(73)	(40)			(214)	(176)
Profit (loss) of associates and joint ventures accounted for using the equity method	107	79			59	72			166	151
Exchange gains and losses on operating receivables and payables & Other operating income and expenses	125	(18)		(18)	61	214	(149)	(41)	37	62
EBITDA	**8,860**	**7,947**	**1,819**	**1,732**	**(2,197)**	**(1,598)**			**8,480**	**8,008**
Amortization, depreciation and operating provisions	(2,402)	(2,579)	(350)	(356)	(1,098)	(585)			(3,850)	(3,523)
Current operating profit (loss)	**6,458**	**5,368**	**1,468**	**1,376**	**(3,295)**	**(2,183)**			**4,630**	**4,485**
Other non-current operating income and expenses(*)	(175)	(89)	(134)	(47)	(493)	(238)			(803)	(372)
Operating profit (loss)	**6,283**	**5,279**	**1,334**	**1,329**	**(3,790)**	**(2,493)**			**3,828**	**4,114**

Revenue amounted to MAD 27.6 billion, an increase of MAD 983 million to the first half 2018. The sustained sales of phosphoric acid helped to cover the decline in sales of fertilizers and rock.

Sales on the northern axis, which represents more than 75% of the group's sales, reached MAD 21 billion in the first half 2018, up 4% compared to the same period of 2018. Mainly driven by sales of phosphoric acid, the marketed volumes of which were 2.5 times higher in 2019.

The central axis sales decreased compared to 2018, mainly on the rock. The phosphoric acid sales increased by 6 % compared to the first half 2018 as a result of the extensive production and marketing effort.

The Group's operating expenses increased by 7 % compared to 2018, ie + MAD 1.4 billion. This increase was mitigated by the increase in stored production for the year.

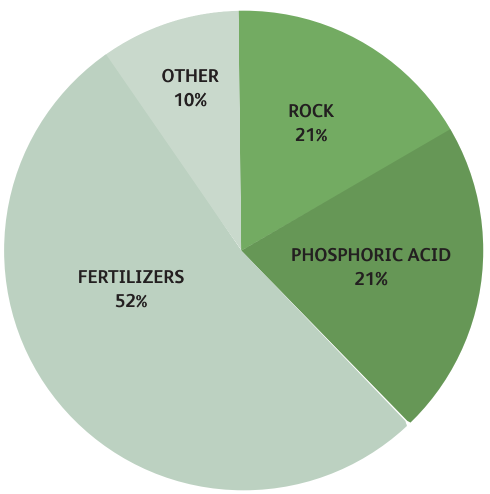
The northern axis recorded an 8 % increase in operating expenses, representing a change of MAD 1 billion, mainly in purchases of raw materials and auxiliaries as well as the purchase of services. Central axis expenses fell slightly by 2 %, mainly on purchases of raw materials and spare parts. The external and personnel costs of the central axis remain under control (-2 % and + 2 % respectively).

The Group thus achieved a 4 % increase in its EBITDA, ie MAD +472 million, mainly driven by the northern axis and the good achievements in phosphoric acid of the half-year.

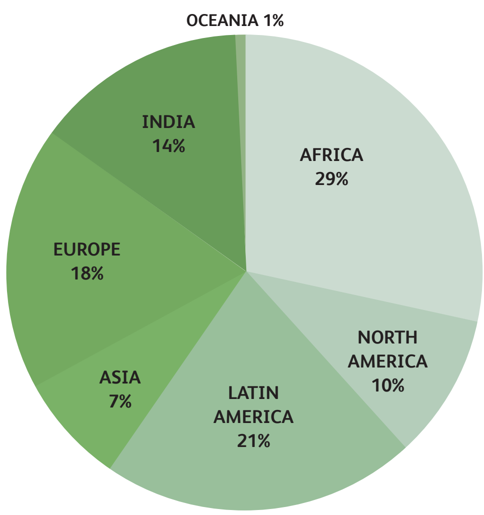
3.2 REVENUE BY COUNTRY AND BY GEOGRAPHIC AREA

The breakdown of net consolidated sales by country and by product as at 31 December 2018 is detailed as follows:

REVENUE
BY PRODUCT



REVENUE
BY GEORGRAPHIC AREA



The Group generates revenues with a diversified clientele. No client alone generates more than 10 % of the consolidated revenue.

It should also be noted that 99 % of the consolidated assets are located in Morocco (excluding foreign companies consolidated by the equity method)

Note 4 - Operational data

4.1 OPERATING REVENUE

4.1.1 REVENUE

4.1.1.1 ACCOUNTING TREATMENT OF REVENUE

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed. Revenue is recognized upon the transfer of the significant risks and rewards of ownership of the goods, and when the amount of revenue can be reasonably estimated. This transfer of ownership is made at the time of delivery of goods for local sales and as per Incoterms for export sales:

- ***Sales carried out FOB (Free on Board):*** transfer of risk takes place when the goods are placed on board the ship at the port of shipment. This primarily concerns sales related to the mining activities
- ***Sales carried out under the incoterm CFR (Cost and Freight):*** OCP bears, in addition, the transport costs to the destination port, loading costs, export formalities and the related duties and taxes.

4.1.1.2 INFORMATION BY PRODUCT FAMILY

(In millions of dirhams)	*1st half-year 2019*	*1st half-year 2018*
Rock	4,703	4,902
Phosphoric acid	5,693	4,286
Fertilizers *	14,463	14,836
Other income	2,723	2,576
Revenue	**27,582**	**26,599**

* Including a reclassification in June 2018 of SAFTCO's fertilizer sales relating to its trading activity from the «Fertilizers» line to «Other income» for an amount of 81 MMAD.

Main markets	Rock		Phosphoric acid		Fertilizers	
	1st half-year 2019	*1st half-year 2018*	*1st half-year 2019*	*1st half-year 2018*	*1st half-year 2019*	*1st half-year 2018*
Local sales	1,136	729	674	611	229	196
South America	906	1,128	303	250	4,387	3,439
Europe	1,086	1,065	1,673	1,670	1,986	1,946
Africa	2	2	43	46	4,373	3,726
North America		408			2,637	3,028
India	840	790	2,542	908	152	1,562
Asia	582	541	458	801	695	898
Oceania	152	239			5	41
Total	**4,703**	**4,902**	**5,693**	**4,286**	**14,463**	**14,836**

	Rock		*Phosphoric acid*		*Fertilizers*	
	1st half-year 2019	*1st half-year 2018*	*1st half-year 2019*	*1st half-year 2018*	*1st half-year 2019*	*1st half-year 2018*
Revenue	**7,813**	**6,660**	**5,693**	**4,437**	**15,442**	**15,976**
Outside the group	3,142	3,728	4,062	3,223	14,499	14,850
Joints ventures	1,561	1,175	1,631	1,063	(35)	(14)
Intercompany sales	3,110	1,758		151	979	1,140
Eliminations	**3,110**	**1,758**		**151**	**979**	**1,140**
Total	**4,703**	**4,902**	**5,693**	**4,286**	**14,463**	**14,836**

Rock sales posted a net decrease of 4 % between the first two semesters of 2018 and 2019. This decrease is mainly explained by the decline in volumes of rock exported due to:

- The drop in demand in Brazil impacted by the acquisition of Vale Fertilizantes, a Brazilian producer of ore, by the American Mosaic. Making use of the logistical advantage, Mosaic has gained new market share in Latin America.
- The decline in sales in Mexico due to the floods that ravaged the agricultural fields;
- The decline in sales in Europe mainly explained by the drop in demand impacted by higher prices.

It should be noted that average prices recorded a slight increase in international market from $ 78 / T FOB in the first half of 2018 to $ 81 / T FOB in the first half of 2019, and an increase in the local market indexed on K09 quality.

Phosphoric acid sales increased by 33 % between the first half of 2018 and the first half of 2019 (ie. MAD +1.4 billion). This positive variation is due to the combined effect of:

- A higher volumes sold (834 KT in the first half of 2019 against 675 KT in the first half of 2018), mainly in the Asian market due to sustained Indian imports. Indeed, the increase in Indian production of DAP fertilizers has significantly improved the supply level of local producers of phosphoric acid.
- A positive price effect, the average price amounts from $ 664 / T FOB to $ 696 / T FOB in the international market, mainly due to higher sulfuric acid prices and higher prices traded in India.

Fertilizer sales were down 3 % between the first half of 2018 and 2019 (MAD -373 million), this decrease is explained by:

- The decline in volumes sold in Asia and Oceania due to the high inventory levels in India and Pakistan
- The decline in volumes sold in North America due to unfavorable weather conditions in the United States that delayed fertilizers' consumption.

This downward trend was partially offset by the increase of sales in Europe (+23 KT), and in Latin America (+317KT) due to strong demand from Argentina for phosphate fertilizers following the significant rise in crop prices.
Fertilizer prices decreased on the international market due to its over-supply because of the larger Chinese exports. The average price per tonne went from $ 364 / t in the first half 2018 to $ 357 /T in the first half of 2019.

The other products mainly concern the freight business and other ancillary products, particularly the sale of liquid sulfur, urea, potassium chloride, etc.). This line amounts to MAD 2.7 billion, ie + 7 % in the first half of 2019 compared to the same period in 2018.

4.1.2 TRADE RECEIVABLES

4.1.2.1 ACCOUNTING TREATMENT OF TRADE RECEIVABLES

This category includes operating receivables, deposits and guarantees, as well as loans. Upon initial recognition, loans and receivables are recorded in the balance sheet at their fair value plus transaction costs directly attributable to the acquisition or issue of the asset. At the closing date, these assets are measured using the amortized cost method. A loss in value is recorded depending on the risk of non-recovery.

4.1.2.2 ANALYSIS OF TRADE RECEIVABLES

(In millions of dirhams)	*30 June 2019*	*31 December 2018*
Trade receivables invoiced	9,817	10,659
Provisions - trade receivables	(493)	(380)
Net trade receivables	**9,324**	**10,279**

Trade receivables decreased by MAD 955 million between June 30th, 2019 and December 31st, 2018, as a result of accumulated receivables at December 31st, 2018 and the downward trend in current sales in the first half of 2019, as well as depreciation of Heringer client's debts of MAD110 million.

4.1.3 MANAGEMENT OF EXCHANGE RISK AND CREDIT RISKS

No changes were made to the management of exchange and credit risks in the first half of 2019.

4.2 PURCHASES CONSUMED AND EXTERNAL CHARGES

4.2.1 ACCOUNTING TREATMENT OF OPERATING CHARGES

Operating expenses are those related the operating business cycle of the company. They correspond to the expenses which contribute to sustainable wealth creation. The main operating expenses are generally the consumption of raw materials, consumable, non-storable materials and supplies expenditure, external consumptions, staff costs (see Note5 : expenses and employee benefits) and taxes.

In accordance with the principle of matching revenues and expenses, revenues and expenses are directly related to each other and recorded in the same period.

4.2.2 ANALYSIS OF PURCHASES CONSUMED AND EXTERNAL CHARGES

Purchases consumed:

(In millions of dirhams)	*1st half-year 2019*	*1st half-year 2018*
Purchases of materials and supplies	**(410)**	**(112)**
Purchases of raw materials	**(7,082)**	**(6,808)**
Sulfur	*(3,991)*	*(3,585)*
Ammonia	*(1,938)*	*(1,998)*
Sulfuric acid	*(720)*	*(604)*
KCL	*(278)*	*(433)*
Other raw materials	*(155)*	*(187)*
Auxiliary materials	**(482)**	**(284)**
Energy consumption	**(1,491)**	**(1,537)**
Electrical energy	*(639)*	*(686)*
Fuel	*(507)*	*(525)*
Diesel fuel	*(289)*	*(286)*
Others	*(56)*	*(39)*
Spare parts	**(571)**	**(520)**
Purchase of works, studies and services	**(1,158)**	**(852)**
Water supply	**(71)**	**(34)**
Other consumed purchases	**(384)**	**(409)**
Purchased consumables of materials and supplies	**(11,648)**	**(10,555)**

Commodity purchases increased by MAD 274 million (+ 4 %) between the first half of 2018 and the first half of 2019. This variation is mainly due to higher purchases of sulfur and sulfuric acid.

In fact, sulfur purchases increased by MAD 406 million as a result of higher volumes consumed in line with the rise in sulfuric acid production. This increase was partially offset by lower prices in the first half of 2019 due to over-supply on the international market.

Sulfuric acid consumption rose by MAD 116 million, which is also explained by a surge in the price per tonne, which went from $ 75 /T CFR in the first half of 2018 to $ 94 / t in the first half of this year. Purchased volumes recorded a decrease of 6 % in favor of the sulfuric acid produced internally.

Energy consumption amounted to MAD 1,487 million in the first half of 2019, a decrease of 3 % over the first half of 2018. This variation mainly concerns the increase in electricity purchases in 2018 to fill the delay of start of sulfuric units of JFCVI.

External expenses:

(In millions of dirhams)	1st half-year 2019	1st half-year 2018
Transport ONCF on sales	(438)	(509)
Sea transport on sales	(1,737)	(1,934)
Other operating transport	(471)	(504)
Consulting and fees	(238)	(200)
Contributions and donations	(258)	(144)
Maintenance and repairs	(769)	(558)
Leases and lease charges	(90)	(168)
Travel and entertainment expenses	(114)	(137)
Insurance premiums	(127)	(95)
Advertising, publications and public relations	(145)	(117)
Postal and telecommunications expenses	(42)	(34)
Studies, analysis, research and documentation	(119)	(82)
Remuneration of personnel outside the company	(78)	(52)
Other external expenses	(200)	(182)
External expenses	**(4,827)**	**(4,716)**

The increase in external expenses of MAD 111 million is mainly due to:

- The rise on the “Maintenance and repairs” item of MAD 211 million between the first two semesters of 2018 and 2019, due in particular to the ramp-up of outsourcing projects in the maintenance sector (industrial, mechanical, computer ...) ,
- The increase in contributions and donations by the OCP Foundation for the management of its national and international program portfolios (MAD +114 million) during the first semester of 2019 compared to the first half of 2018).
- The decrease in shipping costs of MAD 197 million between the first half of 2019 and the first half of 2018, in line with CFR sales.

4.2.3 RISKS RELATED TO RAW MATERIALS

No changes were made to the management of risks related to raw materials in the first half of 2019.

Notes to the Consolidated Financial Statements

4.2.4 INVENTORIES

(In millions of dirhams)	30 June 2019			31 December 2018		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Consumable materials and supplies	5,325	(1,458)	3,868	5,737	(1,409)	4,327
In-process inventory	6,417	(52)	6,366	5,735		5,735
Finished products	4,581	(261)	4,320	3,241	(90)	3,151
Total inventories	**16,324**	**(1,770)**	**14,554**	**14,713**	**(1,500)**	**13,213**

Inventories of consumables and supplies consists mainly of non-strategic spare parts for installations. Due to their short useful lifetime, these spare parts are not classified as an immobilization. The risk of obsolescence of parts is an indication of impairment that is reviewed annually to estimate whether impairment is required.

4.2.5 TRADE PAYABLES

(In millions of dirhams)	30 June 2019	31 December 2018
Trade payables	4,623	3,702
Fixed assets liabilities	9,480	8,529
Trade payables	**14,103**	**12,230**

Note 5 - Expenses and employee benefits

5.1 PERSONNEL EXPENSES

(In millions of dirhams)	1st half-year 2019	1st half-year 2018
Employee remuneration and related social charges	(3,525)	(3,466)
Retirement benefits and medical cover	(986)	(866)
Other employee benefits	(7)	(5)
Personnel expenses	**(4,518)**	**(4,337)**

Personnel expenses in the first half of June 2019 amounts to MAD 4,518 million, up 4 % compared to the first half of 2018. This is explained by the increase in payroll following the implementation of the 2018 Protocol of Agreement, as well as a set of recruitments, mainly from the new subsidiaries (OCP Solution, UM6P..).

5.2 POST-EMPLOYMENT BENEFIT AND OTHER BENEFITS

5.2.1 MAIN ACTUARIAL ASSUMPTIONS USED

All defined benefit obligations have been calculated on the basis of actuarial calculations based on assumptions such as the discount rate, the medical inflation rate, future salary increases, the employee turnover rate and the number of employees and mortality tables. The main assumptions used are as follows:

	30 June 2019	31 December 2018
Discount rate		
Pension supplement	4.14 %	4.52 %
Medical plans	3.88 %	4.22 %
Expected salary increase rate	**5.10%**	**5.10%**
Rate of increase in medical costs	**1.00%**	**1.00%**

5.2.2 OBLIGATIONS RELATED TO SOCIAL LIABILITIES

(In millions of dirhams)	30 June 2019					
	Post-employment benefits			Total post-employment benefits	Other long-term benefits	Total employee benefits
	Pension supplement	Medical plans	'Fixed retirement allocation			
Net obligations recognized at 1 January 2019	**458**	**3,363**	**665**	**4,486**	**130**	**4,616**
Benefits paid	(4)	(252)	(70)	(326)	(3)	(329)
Service cost	2	19	51	72		72
Expenses related to discounting of obligations	10	70	14	95		95
Actuarial losses or (gains) for the period	(26)	277	51	302		302
Contributions		133		133		133
Other changes	82			82		82
Net obligations recognized at 30 June 2019	**522**	**3,610**	**712**	**4,844**	**127**	**4,971**

(In millions of dirhams)	30 June 2018					
	Post-employment benefits			Total post-employment benefits	Other long-term benefits	Total employee benefits
	Pension supplement	Medical plans	'Fixed retirement allocation			
Net obligations recognized at 1 January 2018	**445**	**3,045**	**669**	**4,159**	**148**	**4,307**
Benefits paid	(4)	(330)	(62)	(396)		(396)
Service cost	3	24	38	64		64
Expenses related to discounting of obligations	10	64	14	89		89
Actuarial losses or (gains) for the period	(1)	(58)	33	(27)		(27)
Contributions		123		123		123
Other changes	1			1		1
Net obligations recognized at 30 June 2018	**454**	**2,868**	**691**	**4,013**	**148**	**4,161**

5.3 KEY MANAGEMENT COMPENSATION

Key management includes the Chairman and Chief Executive Officer, Deputy Executive Officers, Executive Vice-Presidents, seniors Vice-Presidents, Vice-Presidents and advisors to the Chief Executive Officer.

(In millions of dirhams)	1st half-year 2019	1st half-year 2018
Short-term employee benefits	39	40
Post-emloyment benefits	10	10
Total management compensation	**49**	**50**

Note 6 - Investments in Joint Ventures and associates

6.1 ANALYSIS OF INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The Group's investments in companies and associates are analyzed as follows:

(In millions of dirhams)	*30 June 2019*	*31 December 2018*
Paradeep Phosphates Limited	1,082	1,049
Groupe PRAYON	1,152	1,132
Pakistan Maroc Phosphore	706	729
Euro Maroc Phosphore	157	140
Indo Maroc Phosphore	336	422
Société d'Aménagement et de Développement de Mazagan	287	287
Teal Technology Services -TTS	7	4
Others	(15)	39
Total interests in joint-ventures	**3,710**	**3,802**

6.2 BALANCE SHEETS AND INCOME STATEMENTS OF ASSOCIATES AND JOINT VENTURES

The note hereafter details at 100 % the lines of the balance sheet and income statement of the consolidated associates and joint ventures:

Balance sheet:

(In millions of dirhams)	*PRAYON*	*EMA*	*IMA*	*PMP*	*PPL*	*SAEDM*	*Others*
Assets							
Current assets							
Cash and cash equivalents	260	120	118	101	17	306	344
Inventories	2, 035	392	267	167	1,811	851	
Trade receivables	612	290	265	640	2,534		1,830
Current tax receivables			52	23			30
Other current assets	186	185	323	546	474	53	333
Total current assets	**3,094**	**988**	**1,025**	**1,479**	**4,835**	**1,211**	**2,536**
Non-current assets							
Non-current financial assets	10				16		13
Investments in equity-accounted companies	851						
Equity securities	16						121
Deferred tax assets	142						
Property, plant and equipment	2,052	78	432	711	1,890		38
Intangible assets	91		21	16	1	1	9
Total non-current assets	**3,163**	**78**	**453**	**727**	**1,908**	**1**	**180**
Total Assets	**6,257**	**1,065**	**1,478**	**2,206**	**6,744**	**1,212**	**2,715**

(In millions of dirhams)	*PRAYON*	*EMA*	*IMA*	*PMP*	*PPL*	*SAEDM*	*Others*
LIABILITIES							
Current liabilities							
Current loans and financial debts	1,283				2,777		1
Current provisions	13		3		91		13
Trade payables	1,216	580	375	542	1,471	86	688
Current tax liabilities		4	13	38			34
Other current liabilities	411	9	18	191	221	2	781
Total current liabilities	**2,923**	**593**	**409**	**772**	**4,559**	**88**	**1,517**
Non-current liabilities							
Non-current loans and financial debts	620			1		562	
Non-current provisions for employee benefits	168						
Other non-current provisions	22				21		
Deferred tax liabilities	221						
Other non-current liabilities	15						
Total non-current liabilities	**1,045**			**1**	**21**	**562**	
Equity -Group share	469	180	620	800	798	608	116
Paid-in capital		110					
Reserves	1,759	128	388	499	1,323	(46)	992
Net profit (loss)-Group share	62	54	61	134	43	(1)	90
Total equity	**2,290**	**473**	**1,069**	**1,433**	**2,164**	**562**	**1,198**
Total aquity and liabilities	**6,257**	**1,065**	**1,478**	**2,206**	**6,744**	**1,212**	**2,715**

Income statement:

(In millions of dirhams)	*PRAYON*	*EMA*	*IMA*	*PMP*	*PPL*	*SAEDM*	*Others*
Revenue	4,120	809	1,017	1,340	42		1,428
Production held as inventory	(87)	76	130	58		32	
Purchases consumed	(2,575)	(746)	(819)	(978)		(26)	(778)
External expenses	(724)	(64)	(212)	(190)		(2)	(69)
Personnel expenses	(552)			(4)		(6)	(449)
Taxes		(2)	(2)	(1)			(1)
Exchange gains and losses on operating receivables and payables	49	2	1	2			
Other operating income and expenses	95	(1)	(3)	(4)			
EBITDA	**326**	**75**	**112**	**225**	**42**	**(2)**	**132**
Amortization, depreciation and operating provisions	(173)	(4)	(38)	(55)			(6)
Operating profit (loss) before exceptional items	**153**	**71**	**75**	**170**	**42**	**(2)**	**126**
Other non-current operating income and expenses	5	(2)	(7)	(5)			
Operating profit (loss)	**157**	**69**	**68**	**165**	**42**	**(2)**	**125**
Cost of net financial debt	(31)		5	7		1	3
Exchange gains and losses on financial receivables and payables	(42)						(1)
Other financial income and expenses	(15)						
Financial profit (loss)	**(87)**		**6**	**7**		**1**	**2**
Profit (loss) before tax	**70**	**69**	**74**	**172**	**42**	**(1)**	**127**
Corporate Income Tax	(8)	(15)	(13)	(38)			(38)
Net profit (loss) for the period	**62**	**54**	**61**	**134**	**42**	**(1)**	**90**

Note 7 – Other operating items

7.1 ANALYSIS OF OTHER OPERATING ITEMS

(In millions of dirhams)	*1st half-year 2019*	*1st half-year 2018*
Gains and losses on other assets	13	42
Subsidies granted	(294)	(226)
Donations and gifts	(374)	(190)
Others	(147)	2
Other non-current operating income and expenses	**(803)**	**(371)**

Other non-recurring operating income and expenses increased by MAD 432 million dirhams between the first half of 2019 and the same period of 2018. This variation is mainly explained by the increase in donations and subsidies granted as well as current statement in the first half of 2019 of the tax on social cohesion for MAD 124 million.

7.2 OTHER CURRENT ASSETS

(In millions of dirhams)	*30 June 2019*			*31 December 2018*		
	Gross	*Depreciation*	*Net*	*Gross*	*Depreciation*	*Net*
Receivables from suppliers, advances and payments on account	5,662	(6)	5,656	4,113	(6)	4,107
Personnel	100	(1)	99	76	(1)	75
Social organizations	298	(17)	282	293	(17)	277
State (excluding corporate income tax)	5,514		5,514	4,610		4,610
Tax receivables	79		79	34		34
Other receivables	916	(13)	904	290	(10)	280
Total other current assets	**12,570**	**(37)**	**12,533**	**9,417**	**(34)**	**9,383**

"State (excluding corporate income tax)" mainly includes VAT, the phosphate exploitation fee and other taxes.

7.3 OTHER CURRENT LIABILITIES

(In millions of dirhams)	*30 June 2019*	*31 December 2018*
Trade receivable credit balances, advances and payments on account	1,470	763
State - TVA	751	1,229
Social payables	1,243	1,079
Tax liabilities	336	30
Other creditors	4,635	2,156
Total other current liabilities	**8,435**	**5,257**

The item «Other creditors» increased by MAD 2,479 million between June 30, 2019 and December 31, 2018. This change is due to the recognition of dividends payable for MAD 2,339 million as at June 30th, 2019 for the previous year.

Notes to the Consolidated Financial Statements

Note 8 – Property, plant & equipment and intangible assets

8.1 PROPERTY, PLANT & EQUIPMENT

(In millions of dirhams)	*31 December 2018*	*Aquisitions*	*Dotations*	*Reductions / Reversals*	*Reclassification*	*Translation difference*	*Other changes*	*30 June 2019*
Gross amount:								
Land	6,120	6			3			6,129
Buildings	40,615	1,093		(8)	413	(1)		42,112
Technical installations, equipment and tools	97,349	848		(296)	(1,002)			96,899
Transport equipment	971	11		(13)	(100)			868
Furniture, office equipment and various fittings	2,702	292		(4)	9	(1)		2,998
Right of use of other tangible assets (*)				(1)	2,112		1,602	3,713
Other property, plant and equipment	10,911	2,972		(9)	(1,381)		(4)	12,489
Total gross amount	**158 668**	**5,222**		**(331)**	**54**	**(2)**	**1,598**	**165,209**
Depreciations:								
Land	(1,098)		(12)					(1,109)
Buildings	(11,633)		(559)	3	(9)			(12,198)
Technical installations, equipment and tools	(41,792)		(2,169)	296	914		(1)	(42,752)
Transport equipment	(738)		(20)	13	76			(669)
Furniture, office equipment and various fittings	(1,184)		(176)	4	(2)			(1,357)
Right of use of other tangible assets			(217)		(1,026)			(1,243)
Other property, plant and equipment	(631)		(195)		51			(774)
Impairment losses								
Buildings	(3)			1				(3)
Total depreciation and impairment losses	**(57,079)**		**(3,347)**	**317**	**5**		**(1)**	**(60,105)**
Net carrying amount	**101,590**	**5,222**	**(3,347)**	**(14)**	**59**	**(1)**	**1,597**	**105,104**

*The assets under finance lease are now presented in rights of use of lease contracts, following the application of the IFRS 16 standard. At 30 June 2019, the rights of use of lease contracts amount to 3.7 billion dirhams.

The main increases during the first half of 2019 concern the following projects:

Mining activity:

- Progress of work of the laundromat in Benguerir : this project is aimed to reduce the transportation cost by train to Youssoufia and Safi, to enrich the phosphate layers of the Benguerir mine, and to improve the quality of the washed and shipped product to Youssoufia and Safi.

- Furthermore, this project will allow the Group to ensure the production of 3 million tons per year within 2020 and 9 million tons dry and commercial within 2025 in order to satisfy the demand of Safi site.

Chemical activity:

- Completion of the construction of a sulfuric line in Jorf with a capacity of 4200 TMH per day ,i.e. 1.53 million tonnes per year, this new investment will bring the total capacity of the Jorf platform to 12.7 million tonnes;
- The construction of two sulfuric lines in Jorf with a unit capacity of 5000 MTH / day, and another sulfur line in Safi with a capacity of 2300 MTH / day;
- Continuity of the construction of a new phosphoric acid unit in Jorf, with a daily capacity of 1400T P2O5, i.e. 450 KT / year, which will increase the annual capacity of the Jorf platform to 6.35 million tonnes .
- Launch of construction works in Jorf for three fertilizer production units with annual capacity of 1 million tonne each of DAP equivalent.

8.2 INTANGIBLE ASSETS VARIATION

(In millions of dirhams)	*31 December 2018*	*Aquisitions*	*Provisions*	*Reclassification*	*30 June 2019*
Gross amount:					
R&D assets	85	13			98
Patents, trademarks, rights and similar items	78			(3)	75
Licences and software	551	57			608
Other intangible assets	233	231		(73)	391
Total gross amount	**947**	**302**		**(77)**	**1,172**
Amortization:					
Amortization of R&D assets	(40)		(16)		(55)
Amortization of patents, trademarks, rights and similar items	(55)		(4)	2	(57)
Amortization of licences and software	(235)		(24)		(259)
Amortizaiton of other intangible assets	(107)		(17)	(1)	(126)
Total amortization and impairment losses	**(437)**		**(61)**		**(497)**
Net carrying amount	**510**	**302**	**(61)**	**(76)**	**675**

8.3 NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	*1st half-year 2019*	*1st half-year 2018*
Net depreciation and amortization	(3,406)	(3,219)

The net depreciation and amortization increased by 6 % in the first half of 2019 compared to the first half of 2018, driven by the increase of the investments implemented in the second half of 2018 and the first half of 2019.

Note 9 – Provisions and contingent liabilities

9.1 NET PROVISIONS

(In millions of dirhams)	*1st half-year 2019*	*1st half-year 2018*
Net provisions	(444)	(304)

Net provisions increased by MAD 140 million between the first half of 2019 and the same period of 2018, mainly due to the depreciation in 2019 of the receivables of our client Heringer (in receivership) for a total amount of MAD 110 million.

9.2 PROVISIONS FOR LIABILITIES AND CHARGES

Current and non-current provisions can be broken down as follows:

(In millions of dirhams)	*31 December 2018*	*Dotations*	*REVERSALS*	*Other*	*30 June 2019*
			Used		
Non-current provisions	**5,373**	**88**	**(51)**	**349**	**5,759**
Provisions for employee benefits	4,616	33	(15)	338	4,971
Provisions for environmental risks & for site rehabilitation	307				307
Other non-current provisions	450	55	(36)	11	480
Current provisions	**328**	**55**	**(26)**		**356**
Other current provisions	328	55	(26)		356
Total provisions	**5,701**	**143**	**(77)**	**349**	**6,115**

9.3 CONTINGENT LIABILITIES

Contingent liabilities concern bank guarantees and other items arising from the Group's ordinary activities. OCP Group does not expect these items to result in significant liabilities.

9.4 COMMITMENT GIVEN

(In millions of dirhams)	*30 June 2019*	*31 December 2018*
Letters of credit	1,056	1,289
Miscellaneous rights and commitments	219	256
Total Commitments given	**1,276**	**1,545**

Note 10 – Financial instruments, net debt and net cost of financing

10.1 CASH MANAGEMENT FINANCIAL ASSETS, FINANCIAL LIABILITIES, NET DEBT AND NET COST OF FINANCING:

10.1.1 DEFINITIONS AND ACCOUNTING TREATMENT:

Financial liabilities

Financial liabilities include financial loans and debts, and bank overdrafts, they are initially recognized at the fair value of the amount required to settle the corresponding obligation, less related costs. Upon subsequent measurement, these financial liabilities are recognized at amortized cost, using the effective interest rate method. The interest calculated at the effective interest rate is recognized in the item "Cost of gross financial debt" over the term of the financial debt.

Financial assets and liabilities are classified as current when expected maturity of the instrument cash flows is less than one year.

Cash and cash equivalents

"Cash and cash equivalents" include cash: as well as short-term investments (with a maturity of less than three months) classified in this category as long as the following criteria are met :

- Highly liquid,
- Easily convertible to a known cash amount,
- Subject to a negligible risk of change in value.

Short-term investments primarily correspond to cash unit trusts measured at fair value at the closing date, and changes in fair value are recognized in financial profit or loss.

Cash management financial assets

Cash financial assets mainly correspond to term deposits. These are investments whose maturity and income conditions are determined when they are made and which the Group intends and has the means to keep until their maturity. They are measured at amortized cost. Remuneration of term deposits is recognized in financial profit or loss.

Net debt

Net debt is defined as the sum of current and non-current financial debt less cash and cash equivalents and financial cash assets.

Cost of net financial debt

The cost of net financial debt includes the cost of gross debt plus financial income from cash investments.

- *Cost of gross debt:* This includes interest charges calculated using the effective interest rate method, the costs of early repayment of loans or cancelation of lines of credit
- *Financial income from cash investments:* This is composed of income from investments of cash and cash equivalents as well as financial cash assets.

Notes to the Consolidated Financial Statements

10.1.2 ANALYSIS OF FINANCIAL DEBTS

10.1.2.1 BREAKDOWN OF FINANCIAL DEBTS BY TYPE

Le tableau ci-après décrit la ventilation des dettes financières Groupe par nature :

(In millions of dirhams)	*30 June 2019*	*31 December 2018*
Current financial debts		
Government credits	65	65
Long-term bank loans, portion due in less than one year	5,559	5,178
Finance leases, portion due in less than one year	345	114
Financial debts resulting from Murabaha		387
Accrued interst not yet due	522	588
Other credits	799	790
Total current financial debts	**7,291**	**7,124**
Non-current financial debts		
Government credits	343	374
Long-term bank loans, portion due in more than one year	16,921	20,105
Bond issue	26,759	26,718
Finance leases, portion due in more than one year	1,359	134
Others credits	3,182	3,533
Total non-current financial debts	**48,564**	**50,864**
Total financial debts	**55,854**	**57,988**

10.1.2.2 ANALYSIS OF FINANCIAL DEBTS: RATES AND MATURITIES

The table below shows the breakdown of total loans according to interest rate, maturity date and currency.

(In millions of dirhams)	*Interest rate*	*Weighted average interest rate*	*Weighted average residual maturity*	*30 June 2019*
Government credits				
Denominated in EUR	[1,30 % -2,50 %]	2,09 %		65
Long-term bank loans, portion due in less than one year				
Denominated in USD	[2,94 % -4,15 %]	3,57 %		1,346
Denominated in MAD	[3,20 % -3,90 %]	3,49 %		3,921
Denominated in EUR	[1,13 % -4,47 %]	3,12 %		293
Finance lease debts				
Denominated in MAD	[3,30 % -4,85 %]	3,54 %		345
Accrued interest not yet due				522
Other credits				799
Total current financial debts				**7,291**
Government credits				
Denominated in EUR	[1,30 % -2,50 %]	2,33 %	11	343
Long-term bank loans, portion due in more than one year				
Denominated in EUR	[1,13 % -4,47 %]	2,12 %	6	2,431
Denominated in MAD	[3,25 % -3,90 %]	3,65 %	5	9,547
Denominated in USD	[2,94 % -4,15 %]	3,56 %	5	4,943
Finance lease debts				
Denominated in MAD	[3,30 % -4,85 %]	3,60 %	2	1,359
Bond issue				
Denominated in MAD	[4,50 % -6,88 %]	5,49 %	10	26,759
Denominated in USD				
Other credits				3,182
Total non-current financial debts				**48,564**
Total financial debts				**55,854**

10.1.2.3 FINANCIAL DEBT MATURITIES

The table below shows the maturities of financial debts as at 30 June 2019:

(in millions of dirhams)	*<1 yr*	*1-5 yrs*	*> 5 yrs*	*Total at 30 June 2019*
Medium and long-term debt	7,291	31,764	16,799	**55,854**

10.1.2.4 THE GROUP'S MAIN FINANCING AGREEMENTS

No new financial agreement was contracted with the Group in the first half of 2019.

10.1.3 ANALYSIS OF FINANCIAL ASSETS

10.1.3.1 CASH AND CASH EQUIVALENT

(In millions of dirhams)	*30 June 2019*	*31 December 2018*
Cash	4,324	3,252
Cash equivalents	9,423	13,889
Total cash and cash equivalents	**13,747**	**17,141**
Bank (credit balances)		1
Cash and cash equivalents in the consolidated statement of Cash Flows	**13,747**	**17,140**

10.1.3.2 CASH MANAGEMENT FINANCIAL ASSETS

(In millions of dirhams)	*30 June 2019*	*31 December 2018*
Cash Financial assets	3,040	5,654

Cash management financial assets include mainly term deposits with a maturity more than three months contracted mostly by OCP SA for MAD 3 billion as at June 30th, 2019 against MAD 5.6 billion as at December 31st, 2018

10.1.3.3 MATURITIES AND FAIR VALUE OF FINANCIAL CASH ASSETS

Financial cash assets maturities

The investment portfolio must remain sufficiently liquid to respond to the financing needs generated by the Group's operations and investment.

As such, assets portfolio is composed of a very short-term and liquid instruments providing for daily operating needs, and short-term instruments in order to improve yields and be in line with targets.

(In millions of dirhams)	*0-1 month*	*1-6 months*	*6-12 months*	*>1 year*	*Total*
Money market funds	8,302				8,302
Term deposit		1,017	3,144		4,161
Total	**8,302**	**1,017**	**3,144**		**12,463**

10.1.4 ANALYSIS OF NET DEBT

10.1.4.1 NET DEBT BY CATEGORY

(In millions of dirhams)		*30 June 2019*	*31 December 2018*
Liabilities measured at amortized cost	Financial credits	22,900	25,726
	Bonds	26,759	26,718
	Other loans and assimilated debts	4,179	4,966
	Financial debt issued from leases*	2,015	578
	Long-term financial debt	**55,853**	**57,987**
	Bank overdrafts	1	1
	Gross financial debt	**55,854**	**57,988**
Assets measured at fair value through profit or loss		13,747	17,141
	Cash equivalents	9,423	13,889
	Cash	4,324	3,252
Assets measured at amortized cost			
	Financial assets for cash management	3,040	5,654
	Financial assets	**16,786**	**22,795**
	Net financial debt	**39,068**	**35,193**

*Following the application of IFRS 16 «Leases", loans related to finance lease agreements IAS 17 are now presented in « rental debts».

10.1.4.2 RECONCILIATION OF NET DEBT ACCOUNTS

The reconciliation with balance sheet items is shown below:

(In millions of dirhams)	*30 June 2019*	*31 December 2018*
Current loans and financial debts	7,291	7,123
Non-current loans and financial debts	48,564	50,864
Gross financial debt	**55,854**	**57,988**
Financial assets for cash management	(3,040)	(5,654)
Cash and cash equivalents	(13,747)	(17,141)
Net financial debt	**39,068**	**35,193**

10.1.5 COST OF NET DEBT

The cost of net debt can be broken down as follows:

(In millions of dirhams)	*1st half-year 2019*	*1st half-year 2018*
Interest expenses	(976)	(883)
Cost of gross financial debt	**(976)**	**(883)**
Financial income from cash investments	106	38
Other financial income	204	40
Financial income from cash investments	**310**	**79**
Cost of net financial debt	**(667)**	**(805)**

10.2 OTHER FINANCIAL ASSETS

10.2.1 NON-CURRENT FINANCIAL ASSETS

(In millions of dirhams)	30 June 2019			31 December 2018		
	Gross	Reevaluation	Net	Gross	Reevaluation	Net
Financial assets remeasured at fair value through equity	1, 072	(563)	509	489	(81)	408
Financial assets measured at fair value through profit or loss	27		27	27		27
Receivables from fixed asset disposals	5	(5)		34	(5)	30
Other financial receivables	448	(1)	448	407	(1)	407
Total non-current financial assets	1,552	(568)	984	958	(86)	872
Total des actifs financiers non courants	**1,552**	**(568)**	**984**	**958**	**(86)**	**872**

10.2.2 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses are as follows:

(In millions of dirhams)	1st half-year 2019	1st half-year 2018
Exchange income from financing operations	25	(563)
Net discount of VAT credit	(70)	(309)
Others	(39)	42
Other financial income and expenses	**(83)**	**(830)**

Other financial income and expenses increased by MAD 747 million compared to the first half of 2018. Mainly explained by the variation in MAD/$ exchange rates on loans and financial debts denominated in foreign currencies. The exchange rate remains stagnant at the end of June 2019 (MAD/$ 9,50) compared to 31 December 2018 (MAD/$ 9.57).

In addition, the discounting of the debt related to the VAT credit financing agreement generated a financial charge of MAD 67 million during the first half of 2019.

10.3 WEIGHT OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

10.3.1 WEIGHT OF FINANCIAL INSTRUMENTS

In accordance with IFRS 7, "Financial instruments: Disclosures", fair value measurements must be classed according to a hierarchy based on the input used to measure the fair value of the instrument which includes the following three levels:

Level 1: the use of quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: the use of quoted market prices in active markets for similar assets or liabilities or measurement techniques where the relevant inputs are based on observable market data;

Level 3: the use of measurement techniques where the relevant inputs are not all based on observable market data.

(In millions of dirhams) Balance sheet captions and instrument classes	At 30 June 2019				
	Carrying value	Fair value	Level 1 :quoted prices and available funds	Level 2 : Internal model wih observable inputs	Level 3: Internal model with unobserved inputs
Cash and cash equivalents	13,747	13,747	13,747		
Cash financial assets	3,040	3,040		3,040	
Assets at fair value through equity	509	509			509
Financial assets measured at fair value through	27	27			27
Other receivables					
Total financial assets	**17,323**	**17,323**	**13,747**	**3,040**	**536**
Current loans and financial debts	7,291	7,291		7,291	
Non-current loans and financial debts	48,564	52,393	29,125	23,267	
Total financial liabilities	**55,855**	**59,684**	**29,125**	**30,558**	

(In millions of dirhams) Balance sheet captions and instrument classes	At 31 December 2018				
	Carrying value	Fair value	Level 1 :quoted prices and available funds	Level 2 : Internal model wih observable inputs	Level 3: Internal model with unobserved inputs
Cash and cash equivalents	17,141	17,141	17,141		
Cash financial assets	5,654	5,654		5,654	
Assets at fair value through equity	408	408			408
Financial assets measured at fair value through	27	27			27
Other receivables					
Total financial assets	**23,230**	**23,230**	**17,141**	**5,654**	**435**
Current loans and financial debts	7,123	7,123		7,123	
Non-current loans and financial debts	50,864	53,326	28,783	24,543	
Total financial liabilities	**57,988**	**60,450**	**28,783**	**31,666**	

10.3.2 COMMITMENTS RECEIVED

(In millions of dirhams)	30 June 2019	31 December 2018
Unused borrowings	2,275	3,097
Other commitments received for contracts	8,541	6,658
Loans guaranteed by the State	408	440
Total Commitments received	**11,223**	**10,195**

Note 11 – Corporate Income taxes

11.1 ANALYSIS OF TAX EXPENSE

(In millions of dirhams)	*1st half-year 2019*	*1st half-year 2018*
Current tax expense/current tax income	(815)	(461)
Deferred tax expense/deferred tax income	(126)	(38)
Corporate income tax	**(941)**	**(499)**

11.2 RECONCILIATION BETWEEN THE TOTAL TAX EXPENSE AND THE THEORETICAL TAX EXPENSE

(In millions of dirhams)	*1st half-year 2019*	*1st half-year 2016*
+Net income - Group share	2,055	1,885
+Net income - Minorities' share	82	95
-Share of profit (loss) of equity-accounted companies	(166)	(150)
+/-Tax for the period	941	499
Consolidated accounting income before tax	**2,912**	**2,329**
+/- Permanent differences	**619**	**405**
= Consolidated taxable income	**3,531**	**2,733**
Theorical tax rate	20.44 %	20.92 %
=Theoretical tax	**(722)**	**(572)**
Tax losses	23	
Difference in tax rate in relation to OCP SA	(197)	(18)
Other items	(46)	91
= Corporate income tax	**(941)**	**(499)**
including		
current tax	*(815)*	*(460)*
deferred tax	*(126)*	*(38)*

Note 12 – Equity, perpetual subordinated debt, dividends and earnings per share

12.1 ISSUED CAPITAL

As at 31 December 2018, the share capital amounts to MAD 8,287 million. It is composed of 82,875,000 shares with a nominal value of MAD100. 729,300 OCP shares are held by its subsidiary SADV.

(In number of shares)	*Ordinary shares*
Outstanding at January 1st, 2019	**82,875,000**
Issues of shares for cash in 1st half-year	
Outstanding at June 30th, 2019	**82,875,000**
Nominal value	**100 Dirhams**

12.2 DIVIDENDS

Dividends paid during the first half of 2019 for MAD 3,346 million correspond to a net dividend per share of MAD 40.73.

	30 June 2019	*31 December 2018*
Amount of dividends (in millions of dirhams)	3,346	2,478
Dividend per share (in dirhams)	40.73	30.17

12.3 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent company, OCP S.A, by the weighted average number of ordinary shares outstanding excluding treasury stock.

	1st half-year 2019	*1st half-year 2018*
Net profit, Group share (in millions of dirhams) (*)	**1,850**	**1,765**
Average number of shares in circulation as at 31 December	82,875,000	82,875,000
Average number of own shares in circulation during the period	729,300	729,300
Number of shares used for the calculation of income	**82,145,700**	**82,145,700**
Basic and diluted net earnings per share	**22.53**	**21.48**

*In accordance with IAS 33.19 and 12, adjusted net profit includes the cost of the coupon attributable to holders of subordinated shares issued by the OCP Group (MAD -204 million).

Note 13 – Relations with the State

The Moroccan State is the majority shareholder of OCP with a 94.12% stake. As such, the State receives annual dividends in accordance with the company's dividend distribution policy. The dividends to be paid are proposed by the Board of Directors to the General Meeting of Shareholders. Their amount depends on several parameters, in particular the profits made, cash available and the company's financial structure, as well as other factors that the Board of Directors may consider to be relevant.
In 2018, the Moroccan State received dividends net of taxes amounting to MAD 2.478 billion in respect of the distributable profit for financial year 2017.
OCP has been a Société Anonyme (public limited liability company) since March 2008. Prior to that date, OCP, as a public enterprise, benefited from the State guarantee for loans taken out with foreign organizations.

Purpose of loan	*Loan currency*	*Date of loan*	*Amount in millions of dirhams as at 30 June 2018*	*Amount in millions of dirhams as at 30 December 2018*	*Amount in millions of dirhams as at 30 June 2019*
AFD outstanding loans consolidation	EUR	2005	335	313	300
Sidi Chennane mining operations	EUR	2002	135	117	100
Renewal of the sulphur unit circulation tank and supply circuit	EUR	2007	7	7	6
Renewal of three absorption towers	EUR	2003		1	
Acquisition of two hydraulic excavators	EUR	2001	3	2	2
TOTAL	**EUR**		**480**	**440**	**408**

Like all companies located in Morocco, OCP is subject to the tax legislation in force, which requires the payment of duties, taxes and levies to the Moroccan State.

The following table shows the transactions performed with the State or with State-controlled companies:

(In millions of dirhams)	*At 30 June 2019*		*At 31 December 2018*	
	State and State-controlled enterprises	*BCP*	*State and State-controlled enterprises*	*BCP*
Interest on investments	45	53	64	55
Utility costs	473		1 382	
Other operating expenses	205		281	
Interest on loans	10	52	9	83
Social charges	235		503	
Transport expenses ONCF	495		1 088	
Subscription ONCF / lump-sum contributions	200		400	
Assets and inventories purchases	48		50	

(In millions of dirhams)	*At 30 June 2019*		*At 31 December 2018*	
	State and State-controlled enterprises	*BCP*	*State and State-controlled enterprises*	*BCP*
Trade payables	746		581	
Other receivables	669		911	
Cash and cash equivalents	492	1 944	2 716	1 841
Investments	1 500		3 846	3 560
Loans	840	3 574	872	4 111

Deloitte.

Bd Sidi Mohammed Benabdellah
Bâtiment C – Tour Ivoire 3 – 3ème étage
La Marina
Casablanca – Maroc

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Building a better working world

37, Bd Abdellatif Benkaddour
20050 Casablanca
Maroc

OCP S.A.

ATTESTATION D'EXAMEN LIMITE SUR LA SITUATION INTERMEDIAIRE DES COMPTES CONSOLIDES ETABLIE AU 30 JUIN 2019

Nous avons procédé à un examen limité de la situation intermédiaire des comptes consolidés de la société OCP S.A. et ses filiales (Groupe OCP) comprenant l'état de la situation financière consolidée, le compte de résultat consolidé et l'état du résultat global consolidé, l'état de variation des capitaux propres consolidés, l'état des flux de trésorerie consolidés et une sélection de notes annexes au terme du semestre couvrant la période du 1er janvier au 30 juin 2019. Cette situation intermédiaire fait ressortir un montant de capitaux propres consolidés de MMAD 78.116 dont un bénéfice net consolidé de MMAD 2.137.

Nous avons effectué notre examen limité selon les normes de la profession au Maroc. Ces normes requièrent que l'examen limité soit planifié et réalisé en vue d'obtenir une assurance modérée que la situation intermédiaire des états financiers consolidés cités au premier paragraphe ci-dessus ne comporte pas d'anomalie significative. Un examen limité comporte essentiellement des entretiens avec le personnel de la société et des vérifications analytiques appliquées aux données financières ; il fournit donc un niveau d'assurance moins élevé qu'un audit. Nous n'avons pas effectué un audit et, en conséquence, nous n'exprimons donc pas d'opinion d'audit.

Sur la base de notre examen limité, nous n'avons pas relevé de faits qui nous laissent penser que les états consolidés, ci-joints, ne donnent pas une image fidèle du résultat des opérations du semestre écoulé ainsi que de la situation financière et du patrimoine du Groupe OCP établis au 30 juin 2019, conformément aux normes comptables internationales (IAS/IFRS) telles qu'adoptées par l'Union Européenne.

Casablanca, le 6 septembre 2019

Les Auditeurs Contractuels

DELOITTE AUDIT
Deloitte Audit
Bd Sidi Mohammed Benabdellah
Bâtiment "C", Ivoire 3, La Marina
Casablanca
Tél: 0522 22 40 25 / 05 22 22 47 34
Fax: 05 22 22 40 78 / 47.59
Sakina BENSOUDA KORACHI
Associée

ERNST & YOUNG
ERNST & YOUNG
37, Boulevard Abdellatif Ben Kaddour
- CASABLANCA -
Bachir TAZI
Associé

Exhibit II-8

OCP S.A.

SUMMARY OF THE PROSPECTUS

Perpetual subordinated bond issue with redemption options and interest deferral

Maximum issuance amount: MAD 5 billion

	Tranche A Unlisted	Tranche B Listed	Tranche C Unlisted	Tranche D Unlisted	Tranche E Unlisted
Maximum amount	MAD 5 000 000 000 (five billion)				
Maximum No of notes	50 000 perpetual subordinated notes				
Nominal value	MAD 100 000				
Interest Rate	10-year resettable in reference to the 10-year rate based on the primary market treasury bond yield curve as at 27 march 2018 i.e 3.23% for the first 10 years, increased by a risk premium, i.e between 4.03% and 4.23% for the first 10 years.		Annually resettable, in reference to the 52 week rate based on the primary market Treasury Bond yield curve (money market base) as at April 3rd 2018, i.e increased by a risk premium, i.e between 3.00% and 3.20%.	For the first time, 15-year resettable until the first optional redemption date, and hereafter beyond the 15th year, revised every 10 year. For the first 15 year period, the rate is determined in reference to the 15-year rate based on the primary market treasury bond yield curve as at 13 March 2018, i.e 3.67% for the first 15 years, increased by a risk premium i.e 4.72% and 4.92% for the first 15 years.	20-year resettable in reference to the 20-year rate based on the primary market treasury bond yield curve as at 27 March 2018, i.e 3.98% for the first 20 years increase by a risk premium i.e between 5.08% and 5.28% for the first 20 years.
Risk Premium	Between **80** and **100** bps		Between **70** and **90** bps	Between **105** and **125** bps	Between **110** and **130** bps
Maturity	Perpetual				
1st optional redemption date	May 14th , 2028	May 14th, 2028	May 14th, 2028	May 14th, 2033	May 14th, 2038
Tradability	Over-the-counter	At Casablanca stock market	Over-the-counter	Over-the-counter	Over-the-counter
Step-up	From May 14th, 2028 a first step up of +25 basis points From May 14th, 2048 an additional step up of +75 basis points			From May 14th, 2033 a first step up of +25 basis points From May 14th, 2053 an additional step up of +75 basis points	From May 14th, 2038 a first step up of +25 basis points From May 14th, 2058 an additional step up of +75 basis points
Allocation method	French method based on the additional basis points compared to the lower limit of spread range with prioritization of tranche E then D then A and B then C in case of equality of additional basis points compared to the lower limit of the range of the risk premium proposed to every Tranche.				

Subscription period: from May 02nd to May 04th 2018 included

The subscription is limited to qualified investors under Moroccan law, as listed in the present Prospectus

Trading on the secondary market is strictly limited to qualified investors listed in the present Prospectus, and prohibited in the United States, or to a United States resident

Financial Advisors and Global Coordinators	Placement Agent: Co-lead managers	Placement Agent: Members of the placement syndicate	Entity in charge of the registration of the transaction with the Casablanca Stock Exchange	Custodian
CDG CAPITAL GROUPE CDG Attijariwafa bank CORPORATE FINANCE	CDG CAPITAL GROUPE CDG التجاري وفا بنك Attijariwafa bank	BANQUE POPULAIRE BMCE BANK OF AFRICA	ATTIJARI Intermédiation	التجاري وفا بنك Attijariwafa bank

VISA OF THE MOROCCAN CAPITAL MARKET AUTHORITY

In accordance with the provisions of the AMMC's circular, taken pursuant to Article 14 of the Dahir No. 1- 93- 212 dated September 21st, 1993 as amended and supplemented, the original of the present prospectus has been approved by the AMMC on April 23th, 2018 under the reference n°VI/EM/006/2018.

DISCLAIMER

The Moroccan Capital Markets Authority (AMMC) has approved on 23 April 2018 a prospectus relative to a subordinated bond issuance by OCP SA.

The prospectus approved by the AMMC is available at any time at the headquarters of OCP and can be provided by its financial advisors Attijari Finances Corps and CDG Capital. It is also available in a maximum of 48 hours deadline at the order collecting bodies.

The prospectus is also publicly available at the Casablanca Stock Exchange headquarters and on its website (www.casablanca-bourse.com). It is also available for download on the website of the AMMC (www.ammc.ma).

PART I. PRESENTATION OF THE OFFERING

I CHARACTERISTICS OF THE TRANSACTION

Warning

A subordinated note differs from a classic bond in terms of the ranking of the claims defined contractually by the subordination clause. The effect of the subordination clause is to condition the repayment of the notes, in the event of the issuer's liquidation, to that of all preferred and unsecured creditors. The principal and interest on the notes represent subordinated commitments of the lowest ranking, and are and will be senior only to the Issuer's equity.

furthermore, this perpetual subordinated note has no fixed maturity date but may be redeemed at the option of the issuer according to the Tranches as from year 10 for Tranches A, B and C, and year 15 for the Tranche D and year 20 for Tranche E and at any time in the event of the occurrence of a rating methodology event, which may have an impact on the expected maturity of the notes and the note holders' reinvestment conditions.

Finally, this perpetual subordinated note include an interests payment deferral clause, subject to compliance with the Restriction on *Pari-Passu* and Junior Tranches Remuneration, while the interest is capitalized, exposes note holders to reinvestment risk.

Tranche A : 10-year resettable rate perpetual subordinated unlisted notes, with a first redemption option at year 10

Description of the Securities	Subordinated notes unlisted and dematerialized through registration with Maroclear, the central securities depositary, and registered in an account with authorized affiliates.
Legal Form	Bearer notes
Tranche Size	Five (5) billion MAD
Maximum Number of Securities to be Issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription Price	At par, i.e. MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 10, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Event"**).
Interest Rate Type	Resettable rate

Subscription Period	From May 2nd, 2018 to May 4th, 2018 included
Entitlement Date	May 14th, 2018
First Redemption Option Date	May 14th, 2028 (**Entitlement Date** + 10 years)
Interest Rate Reset Date(s)	May 14th, 2028 (**Entitlement Date** + 10 years) included and thereafter every 10 years.
Allocation Method	French method based on the additional basis points compared to the lower limit of spread range with prioritization of tranche E then D then A and B then C in case of equality of additional basis points compared to the lower limit of the range of the risk premium proposed to every Tranche.
Nominal Interest Rate	Before and excluding the **First Redemption Option Date,** the **Nominal Interest Rate** is based on a calculated rate with reference to the 10 years calculated Treasury bond yield on the primary market as at March 27th, 2018, i.e 3.23%, plus a risk premium between 80 and 100 basis points as set after the auction. For the first 10 years, the nominal interest rate ranges between **4.03%** and **4.23%**. Starting and including the **First Redemption Option Date,** and at each **Interest Rate Reset Date**, the interest rate will be reset to a new rate calculated or observed during the last Treasury bonds auction, 5 trading days prior to the coupon anniversary date, on the basis of the 10 years Treasury bonds yield on the primary market, plus a risk premium at the time of the auction between 80 and 100 basis points, and the **Applicable Step Up.** In case of non-adjudication during that auction, the used interest rate shall be the granted rate during the prior auction. In case of non-adjudication during the last 2 auctions of 10 years Treasury bonds preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 10 years Treasury bonds yield curve on the secondary market, as published by Bank Al-Maghrib 5 trading days prior to the coupon anniversary date. The new **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. In case the 10 years Treasury bond rate is not directly observable on the yield curve, the 10 years Treasury bond reference will be based on the linear interpolation method using two points around the full 10 years maturity (actuarial basis).
Coupon Payment Date(s)	Annually at the anniversary of the notes' **Entitlement Date,** i.e. May 14th, of each year, or on the 1st business day following this date if it is not a business day.. The interest will cease to accrue from the date the principal is redeemed.

Risk Premium	Between 80 and 100 basis points
Applicable Step-up	Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium**. From and including May 14th, 2028 (**Entitlement Date** + 10 years), a first step-up of 25 basis points shall be added to the **Risk Premium**. From and including May 14th, 2048 (**Entitlement Date** + 30 years), an additional step-up of 75 basis points shall apply.
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of : (i) **Base Coupon** ; and (ii) **Interest Account**
Base Coupon	**C = T x P x J/365 or 366 (in the case of a leap year)** C : Base coupon P : Principal T : Nominal Interest Rate J : Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the following **Coupon Payment Dates,** means the product of**:** (i) **Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+ **Nominal Interest Rate** applicable for the period x J/365 or 366 (in the case of a leap year))
Coupon Payment	The **Payable Coupon** shall be paid annually at each anniversary date of the **Entitlement Date** of the notes, ie May 14th, of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole, but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases of Coupon Deferral	**Deferral of the Coupon at the issuer's discretion** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to the note holders at least **30 business days** before that date, through the **Centralizing Body and Custodian,** the **Representative of the Note Holders ,** the AMMC, the Casablanca stock market and after a publication by the Issuer of a notice in a legal announcements newspaper, to defer the payment in whole but not in part of the **Payable Coupon** for all the tranches from A to E. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the **Restriction on *Pari-Passu* and Junior**

	Tranches Remuneration.
Restriction on *Parri Passu* and Junior Tranches Remuneration	If the issuer, at its own discretion, elects to differ the payment of a **Payable Coupon,** the issuer will not be entitled to: - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Interest Rate Reset Date**, the Issuer may, subject to a prior notice to the **Representative of the Note Holders,** the **Centralizing Body and Custodian,** the AMMC, the Casablanca stock market and through a publication of a notice in a legal announcements newspaper at least **30 calendar days** before that date**,** redeem the notes at par (the nominal), in whole, but not in part, increased by the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable. Any optional redemption of the present tranche A systematically triggers the full redemption of tranches A and B.
Other Optional Early Redemption Event	The Issuer may, subject to a prior written notice with acknowledgement of receipt of at least **30 calendar days** to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC, the Casablanca stock market and through a publication of a notice in a legal announcements newspaper, redeem the Issue in whole, in part, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date if the following event occurs: - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment or a change has occurred regarding the **Equity Content** criteria of such rating agency, which amendment or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the date at which the **Equity Content** is assigned for the first time (a **"Rating Methodology Event"**)
Equity Content	The portion of the Issue incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously issued notes.

	In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, and provided the issue contracts allow it, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured, direct commitments. They are subordinated with the lowest ranking, and are and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is unsecured
Notes Tradability	The notes are tradable over-the-counter only between qualified investors provided for by the provisions of Article 12-3 of the Dahir number 1-93-212 as amended and supplemented and as listed in Article III.1.21 of the AMMC circular subject to the legal dispositions that apply to them. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.
Payment of the Notes in the Event of the Liquidation of the Issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or to sell off the business as a whole following a legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made according to the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interests (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than securities ranking *pari-passu*) have been paid in full. This means that: - Unsubordinated creditors under the Issuer's unsubordinated obligations; - Ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 22 June 2017, to designate the firm **HDID Consultants,** represented by **Mr. Mohamed HDID**, acting as managing partner, 4 rue Maati Jazouli, Casablanca, as the interim representative of Tranche A note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche A notes, and that the appointed interim representative is identical for Tranches A and B, that are gathered in a single and

	same note holders group. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period, in order to designate the permanent representative. The identity of this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to Attijariwafa Bank as the centralizing body and custodian, in charge of the notes' financial servicing.

Tranche B : 10-year resettable rate perpetual subordinated notes listed on the Casablanca Stock Exchange, with a first redemption option at year 10

Description of the Securities	Subordinated notes listed on the Casablanca Stock Exchange dematerialized through registration with Maroclear, the central securities depositary, and registered in an account with authorized affiliates.
Legal Form	Bearer notes
Tranche Size	Five (5) billion MAD
Maximum Number of Securities to be Issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription Price	At par, i.e. MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 10, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Events"**).
Interest Rate Type	Resettable rate
Subscription Period	From May 2nd, 2018 to May 4th, 2018 included
Entitlement Date	May 14th, 2018
First Redemption Option Date	May 14th, 2028 **(Entitlement Date** + 10 years)
Interest Rate Reset Date(s)	May 14th, 2028 (**Entitlement Date** + 10 years) included and thereafter every 10 years.
Allocation Method	French method based on the additional basis points compared to the lower limit of spread range with prioritization of tranche E then D then A and B then C in case of equality of additional basis points compared to the lower limit of the range of the risk premium proposed to every Tranche.
Nominal Interest Rate	Before and excluding the **First Redemption Option Date,** the **Nominal Interest Rate** is based on a calculated rate with reference to the 10 years Treasury bond yield on the primary

	market as at March 27th, 2018. i.e 3.23%, plus a risk premium between 80 and 100 basis points as set after the auction. For the first 10 years, the nominal interest rate ranges between **4.03%** and **4.23%**. Starting and including the **First Redemption Option Date,** and at each **Interest Rate Reset Date**, the interest rate will be reset to a new rate calculated or observed during the last Treasury bonds auction, 5 trading days prior to the coupon anniversary date. on the basis of the 10 years Treasury bonds yield on the primary market, plus a risk premium at the time of the auction between 80 and 100 basis points. and the **Applicable Step Up.** In case of non-adjudication during that auction, the used interest rate shall be the granted rate during the prior auction. In case of non-adjudication during the last 2 auctions of 10 years Treasury bonds preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 10 years Treasury bonds yield curve on the secondary market, as published by Bank Al-Maghrib 5 trading days prior to the coupon anniversary date. The new **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. In case the 10 years Treasury bond rate is not directly observable on the yield curve, the 10 years Treasury bond reference will be based on the linear interpolation method using two points around the full 10 years maturity (actuarial basis).
Coupon Payment Date	Annually at the anniversary of the notes' **Entitlement Date,** ie May 14th, of each year, or on the 1st business day following this date if it is not a business day. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between 80 and 100 basis points
Applicable Step-up	Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium**. From and including May 14th, 2028 (**Entitlement Date** + 10 years), a first step-up of 25 basis points shall be added to the **Risk Premium.** From and including May 14th, 2048 (**Entitlement Date**), or the next business day if this date is not a business day, an additional step-up of 75 basis points shall apply.
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of : (i) **Base Coupon** ; and (ii) **Interest Account**

Base Coupon	**C = T x P x J/365 or 366 (in the case of a leap year)** C : Base coupon P : Principal T : Nominal Interest Rate J : Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the following **Coupon Payment Dates,** means the product of**:** (i) **Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+ **Nominal Interest Rate** applicable for the period x J/365 or 366 (in the case of a leap year))
Coupon Payment	The **Payable Coupon** shall be paid annually at each anniversary date of the **Entitlement Date** of the notes, ie May 14th, of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole, but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases of Coupon Deferral	**Deferral of the Coupon at the issuer's discretion** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to the note holders at least **30 business days** before that date, through the **Centralizing Body and Custodian,** the **Note Holders Representative,** the AMMC, the Casablanca Stock Exchange, and after a publication by the Issuer of a notice in a legal announcements newspaper, to defer the payment, in whole but not in part of the **Payable Coupon** for all tranches from A to E. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Restriction on *Parri-Passu* and Junior Tranches Remuneration	If the issuer, at its own discretion, elects to differ the payment of a **Payable Coupon,** the issuer will not be entitled to: - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Interest Rate Reset Date**, the Issuer may, subject to a prior notice to the **Representative of the Note Holders,** the **Centralizing Body and Custodian,** the AMMC, the Casablanca Stock Exchange and a publication of a notice in

	a legal announcements newspaper at least a **30 calendar days** before that date**,** redeem the notes at par (the nominal), in whole, but not in part, increased by the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable. Any optional redemption of the present tranche B systematically triggers the full redemption of tranches A and B.
Other Optional Early Redemption Event	The Issuer may, subject to a prior written notice with acknowledgement of receipt of at least a **30 calendar days** to the **Representative of the Note Holders** to the **Centralizing Body and Custodian,** to the AMMC, to the Casablanca Stock Exchange and a publication of a notice in a legal announcements newspaper, redeem the Issue in whole and in par, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date if the following event occurs: - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment or a change has occurred regarding the **Equity Content** criteria of such rating agency, which amendment or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the date at which the **Equity Content** is assigned for the first time (a **"Rating Methodology Event"**)
Equity Content	The portion of the Issue incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, and provided the issue contracts allow it, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured direct commitments. They are subordinated with the lowest ranking and are and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is unsecured

Notes Tradability	The notes are tradable on the Casablanca Stock Exchange, only between qualified investors provided for by the provisions of Article 12-3 of the Dahir number 1-93-212 as amended and supplemented and as listed in Article III.1.21 of the AMMC circular subject to the legal dispositions that apply to them. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.
Payment of the Notes in the Event of the Liquidation of the Issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or to sell off the business as a whole following a legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made according to the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interests (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than securities ranking *pari-passu*) have been paid in full. This means that: - Unsubordinated creditors under the Issuer's unsubordinated obligations; - Ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Securities Listing	Tranche B notes will be listed on the Casablanca Stock Exchange and will be subject to an application for admission to the fixed-income compartment of the Casablanca Stock Exchange. Their listing date on this compartment is scheduled for May 9th, 2018 under the Ticker OOCPC. In order to be listed on the Casablanca Stock Exchange, the aggregate amount allocated to tranche B must be greater than or equal to MAD 20.000.000. If at the end of the subscription period the aggregate amount allocated to tranches B is less than MAD 20.000.000. the subscriptions relative to these tranches will be cancelled.
Initial Trading Procedure	Tranche B notes will be traded via a direct trading mechanism in accordance with Articles 1.2.6 and 1.2.22 of the General Rules of the Stock Exchange.
Registration of the Transaction with the Casablanca Stock Exchange	The entity responsible for the registration of the transaction with the Casablanca Stock Exchange is the brokerage firm Attijari Intérmidiation.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 22 June 2017, to designate the firm **HDID Consultants,** represented by **Mr. Mohamed HDID**, acting as managing partner, 4 rue Maati Jazouli, Casablanca, as the interim representative of Tranche A note holders pending the holding of the general meeting of note

	holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche A notes, and that the appointed interim representative is identical for Tranches A and B, that are gathered in a single and same note holders group. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period, in order to designate the permanent representative. The identity of this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to Attijariwafa Bank as the centralizing body and custodian, in charge of the notes' financial servicing.

Tranche C: Annually resettable rate perpetual subordinated unlisted notes with a first redemption option at year 10

Description of the securities	Perpetual subordinated notes unlisted and dematerialized through registration with the central securities depositary (Maroclear) and registered in an account with authorized affiliates
Legal form	Bearer bonds
Tranche size	Five (5) billion dirhams
Maximum Number of Securities to be issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription price	At par, i.e. MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 10, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Events"**).
Interest Rate Type	Resettable
Subscription period	From May 2nd, 2018 to May 4th, included
Entitlement Date	May 14th, 2018
First Redemption Option Date	May 14th, 2028 (**Entitlement Date** + 10 years)
Interest Rate Reset Date(s)	Annually at the entitlement date anniversary, i.e. May 14th of each year
Allocation Method	French method based on the additional basis points compared to the lower limit of spread range with prioritization of tranche E then D then A and B then C in case of equality of additional basis points compared to the lower limit of the range of the risk premium proposed to every Tranche.
Nominal Interest Rate	Resettable annually. The interest rate will be reset annually to a rate equivalent to the **Reference Interest Rate** plus: (i) A risk premium between 70 and 90 basis points for the first 10 years period; (ii) A risk premium between 70 and 90 basis points and the **Applicable Step-up** beyond 10 years. The **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary.

	For the first year. the nominal interest rate ranges between 3.00% and 3.20%, calculated on the basis of the 52 weeks Treasury bonds yield (money market rate) on the primary market, on April 3th, 2018, i.e. 2,30%, plus a risk premium between 70 and 90 basis points as set after the auction.
Reference Interest rate	At each anniversary of the notes' entitlement date, the reference rate shall be: Observed or calculated on the basis of the 52 weeks' Treasury bonds yield on the primary market (money market rate), on the last auction preceding the day falling 5 trading days before the coupon anniversary date. In case of non-adjudication during that auction, the used interest rate shall be the granted rate during the prior auction. In case of non-adjudication during the last two 52 weeks' Treasury bonds auctions preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 52 weeks Treasury bonds' yield curve on the secondary market, as published by Bank-Al Maghrib 5 trading days prior to the coupon anniversary. In case the 52 weeks Treasury bond rate is not observable on the yield curve, the determination of the **Reference Interest Rate** will be based on the linear interpolation method using two points around the full 52 weeks (money-market basis) maturity. This linear interpolation will be done after the conversion of the rate immediately above the 52-weeks maturity (actuarial basis) into an equivalent money-market rate. The calculation formula is: (((Actuarial rate + 1)^ (k / exact number of days))-1) x 360/k; Where: k: is the maturity of the actuarial rate to be transformed. Exact number of days: 365 or 366 days (in case of a leap year). The **Reference Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary, or the next business day following this date if it is not a business day.
Coupon Payment Date	Annually at the anniversary of the notes' **Entitlement Date,** ie May 14th of each year, or on the 1st business day following this date if it is not a business day. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between 70 and 90 basis points
Applicable Step-up	▪ Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium.**

	▪ From and including May 14th, 2028 (**Entitlement Date** + 10 years), a first step-up of 25 basis points shall be added to the **Risk Premium**. ▪ From and including May 14th, 2048 (**Entitlement Date** + 30 years), an additional step-up of 75 basis points shall apply .
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of: (i) **Base Coupon**; and (ii) **Interest Account.**
Base Coupon	**C = T x P x J/360** ▪ C : Base Coupon ▪ P : Principal ▪ T : Nominal Interest Rate ▪ J: Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the subsequent **Coupon Payment Dates,** means the product of: (i) **Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+**Nominal Interest Rate** applicable for the period x J/360)
Coupon Payment	The **Payable Coupon** shall be paid annually at each anniversary date of the **Entitlement Date** of the notes, ie May 14th of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases of Coupon Deferral	**Deferral of the coupon at the discretion of the Issuer** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to the note holders at least **30 business days** before that date through the **Centralizing Body and Custodian,** the **Representative of the Note Holders**, the AMMC, the Casablanca Stock Exchange and after a publication by the Issuer of a notice in a legal announcements newspaper to defer the payment, in whole but not in part of the **Payable Coupon** for all the tranches from A to E. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the

	Restriction on *Pari-Passu* and Junior Tranches Remuneration.
Restriction on *Pari-Passu* and Junior Tranches Remuneration	If the Issuer at its discretion, elects to differ a payment of the **Payable Coupon**, the issuer will not be entitled to: - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Interest Rate Reset Date**, the Issuer may, subject to a prior notice to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** the AMMC and a publication of a notice in a legal announcements newspaper at least **30 calendar days** before that date**,** redeem the notes at par (the nominal), in whole, but not in part, increased by the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable.
Other Optional Early Redemption Event	The Issuer may, subject to a written prior notice with acknowledgement of receipt of at least **30 calendar days** to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC, Casablanca Stock Exchange and through a publication of a notice in a legal announcements newspaper, redeem the Issue in par and in whole, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date if the following event occurs: - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment or change has occurred regarding the **Equity Content** criteria of such rating agency, which amendment, clarification or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the date at which the **Equity Content** is assigned for the first time (a **"Rating Methodology Event"**)
Equity Content	The portion of the notes incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously

	issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured direct commitments. They are subordinated with the lowest ranking and are and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is unsecured
Notes Tradability	The notes are tradable on the Casablanca Stock Exchange, only between qualified investors provided for by the provisions of Article 12-3 of the Dahir number 1-93-212 as amended and supplemented and as listed in Article III.1.21 of the AMMC circular subject to the legal dispositions that apply to them. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.
Payment of the Notes in the Event of the Liquidation of the Issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or to sell off the business as a whole following a legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made according to the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interests (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than securities ranking *pari-passu*) have been paid in full. This means that: ▪ Unsubordinated creditors under the Issuer's unsubordinated obligations; ▪ Ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 22 June 2017, to designate the firm **HDID Consultants,** represented by **Mr. Mohamed HDID**, acting as managing partner, 4 rue Maati Jazouli, Casablanca, as the interim representative of Tranche C note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this

	decision is the opening date for the subscription period of tranche C notes. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period, in order to designate the permanent representative. The identity of this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to Attijariwafa Bank as the centralizing body and custodian, in charge of the notes' financial servicing.

Tranche D : perpetual subordinated unlisted notes with a first redemption option at year 15, resettable 15 years until the first redemption option day and thereafter resettable every 10 years.

Description of the securities	Perpetual subordinated notes unlisted on the Casablanca Stock Exchange, dematerialized through registration with the central securities depositary (Maroclear) and registered in an account with authorized affiliates
Nature of securities	Notes
Legal form	Bearer bonds
Maximum issue amount	Five (5) billion dirhams
Maximum Number of Securities to be issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription price	At par, i.e. MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 15, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Events"**).
Interest Rate Type	Resettable
Subscription period	From May 2nd, 2018 to May 4th, 2018 included
Entitlement Date	May 14th, 2018
First Redemption Option Date	May 14th, 2033 (**Entitlement Date** + 15 years).
Interest Rate Reset Date(s)	May 14th, 2033 (**Date of Entitlement** + 15 years) included and thereafter every 10 years.
Allocation Method	French method based on the additional basis points compared to the lower limit of spread range with prioritization of tranche E then D then A and B then C in case of equality of additional basis points compared to the lower limit of the range of the risk premium proposed to every Tranche.

Nominal Interest Rate	Before and excluding the **First Redemption Option Date,** the **Nominal Interest Rate** is based on a calculated rate with reference to the 15 years Treasury bond yield on the primary market as at 13 March 2018, i.e 3.67% plus a risk premium between 105 and 125 basis points as set after the auction. For the first 15 years. the nominal interest rate ranges between 4.72% and 4.92%. Starting and including the **First Redemption Option Date,** and at each **Interest Rate Reset Date**, the interest rate will be reset to a new rate calculated or observed during the last Treasury bonds auction, 5 trading days prior to the coupon anniversary date, on the basis of the 10 years Treasury bonds yield on the primary market, plus a fixed risk premium at the time of the auction between 105 and 125 basis points, and the **Applicable Step Up.** In case of non-adjudication during that auction. the used interest rate shall be the granted rate during the prior auction. In case of non-adjudication during the last 2 auctions of 10 years Treasury bonds preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 10 years Treasury bonds yield curve on the secondary market, as published by Bank Al-Maghrib 5 trading days prior to the coupon anniversary date. The new **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. In case the 10 years Treasury bond rate is not directly observable on the yield curve, the 10 years Treasury bond reference will be based on the linear interpolation method using two points around the full 10 years maturity (actuarial basis).
Coupon Payment Date	Annually at the anniversary of the notes' **Entitlement Date.** i.e. May 14th of each year, or on the 1st business day following this date if it is not a business day. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between 105 and 125 basis points
Step-up (surprime) **Applicable**	▪ Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium**. ▪ From and including May 14th, 2033 (**Entitlement Date** + 15 years), a first step-up of 25 basis points shall be added to the **Risk Premium.** ▪ From and including May 14th, 2053 (**Entitlement**

	Date + 35 years), or the next business day if this date is not a business day, an additional step-up of 75 basis points shall apply.
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of : (iii) **Base Coupon** ; and (i) **Interest Account**
Base Coupon	**C = T x P x J/365 or 366 (in the case of a leap year)** C : Base coupon P : Principal T : Nominal Interest Rate J : Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the following **Coupon Payment Dates,** means the product of**:** **(i) Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+ **Nominal Interest Rate** applicable for the period x J/365 or 366 (in the case of a leap year))
Coupon Payment	The **Payable Coupon** shall be paid annually at each anniversary date of the **Entitlement Date** of the notes, ie May 14th, of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole, but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases Coupon Deferral	**Deferral of the coupon at the discretion of the Issuer** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to note holders at least **30 business days** before that date through the **Centralizing Body and Custodian,** the **Representative of the Note Holders**, the AMMC, the Casablanca Stock Exchange and after a publication of a notice by the Issuer in a legal announcements newspaper, to defer the payment, in whole but not in part, of the **Payable Coupon** for all the tranches from A to E. Any payment deferral shall not constitute a default by the Issuer, subject to compliance

	with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Restriction on *Pari-Passu* and Junior Tranches Remuneration	If the Issuer at its discretion, elects to differ a payment of the **Payable Coupon**, the issuer will not be entitled to: - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Interest Rate Reset Date**, the Issuer may, subject to a prior notice of at least **30 calendar days** before that date to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC, to the Casablanca Stock Exchange and after a publication of a notice in a legal announcements newspaper, redeem the notes at par (the nominal), in whole, but not in part, increased by the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable.
Other Optional Early Redemption Event	The Issuer may, subject to a written prior notice of at least **30 calendar days** with acknowledgement of receipt to the **Representative of the Note Holders**, to the **Centralizing Body and Custodian,** to the AMMC, the Casablanca Stock Exchange and a publication of a notice in a legal announcements newspaper**,** redeem the Issue in par and in whole, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date the following event occurs:. - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment or change has occurred in the **Equity Content** criteria of such rating agency, which amendment, clarification or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on the issue date, or if **Equity Content** is not assigned on the issue date, at the date at which the **Equity Content** is assigned for the first time 'a **"Rating Methodology Event"**)
Equity Content	The portion of the Issue incorporated in the Issuer’s

	equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction have not been assimilated to any previously issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, provided the issuer contract allows it, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured direct commitments. There are subordinated with the lowest ranking and are and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is unsecured
Notes Tradability	The notes are tradable on the Casablanca Stock Exchange, only between qualified investors provided for by the provisions of Article 12-3 of the Dahir number 1-93-212 as amended and supplemented and as listed in Article III.1.21 of the AMMC circular subject to the legal dispositions that apply to them. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.
Payment of the Notes in the Event of the Liquidation of the issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or to sell off the business as a whole following an order of legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made according to the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interests (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than securities ranking *pari-passu*) have been paid in full. This means that: ▪ unsubordinated creditors under the Issuer's unsubordinated obligations; ▪ ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.

Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 22 June 2017, to designate the firm **HDID Consultants,** represented by **Mr. Mohamed HDID**, acting as managing partner, 4 rue Maati Jazouli, Casablanca, as the interim representative of Tranche C note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche A notes, and that the appointed interim representative is identical for Tranche C, that are gathered in a single and same note holders group. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period, in order to designate the permanent representative. The identity of this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to Attijariwafa Bank as the centralizing body and custodian, in charge of the notes' financial servicing.

Tranche E : 20 year resettable rate perpetual subordinated unlisted notes with a first redemption option at year 20

Description of the securities	Perpetual subordinated notes unlisted on the Casablanca Stock Exchange, dematerialized through registration with the central securities' depositary (Maroclear) and registered in an account with authorized affiliates
Type of Securities	Notes
Legal Form	Bearer notes
Tranche size	Five (5) billion dirhams
Maximum Number of Securities to be issued	50 000 notes
Nominal Value Per Security	MAD 100 000
Subscription price	At par, i.e. MAD 100 000
Maturity	Perpetual. The securities are perpetual notes of the Issuer, have no specified maturity date, but may be redeemed at the option of the Issuer from year 20, at any time under certain circumstances (see **"Optional Redemption"** and **"Other Optional Early Redemption Events"**).
Interest Rate Type	Resettable
Subscription period	From May 2nd, 2018 to May 4th, 2018 included
Entitlement Date	May 14th, 2018
First Redemption Option Date	May 14th, 2038 (**Entitlement Date** + 20 years).
Interest Rate Reset Date(s)	May 14th, 2038 (**Date of Entitlement** + 20 years) included and thereafter every 20 years.
Allocation Method	French method based on the additional basis points compared to the lower limit of spread range with prioritization of tranche E then D then A and B then C in case of equality of additional

	basis points compared to the lower limit of the range of the risk premium proposed to every Tranche.
Nominal Interest Rate	Before and excluding the **First Redemption Option Date,** the **Nominal Interest Rate** is based on a calculated rate with reference to the 20 years Treasury bond yield on the primary market as at 27 March 2018, i.e. 3.98% plus a risk premium between 110 and 130 basis points as set after the auction. For the first 20 years, the nominal interest rate ranges between 5.08 % and 5.28%. Starting and including the **First Redemption Option Date,** and at each **Interest Rate Reset Date**, the interest rate will be reset to a new rate calculated or observed during the last Treasury bonds auction, 5 trading days prior to the coupon anniversary date, on the basis of the 20 years Treasury bonds yield on the primary market, plus a risk premium fixed at the time of the auction between 110 and 130 basis points, and the **Applicable Step Up.** In case of non-adjudication during that auction, the used interest rate shall be the granted rate during the prior auction. In case of non-adjudication during the last 2 auctions of 20 years Treasury bonds preceding the day falling 5 trading days prior to the coupon anniversary date, the reference rate shall be observed or calculated on the basis of the 20 years Treasury bonds yield curve on the secondary market, as published by Bank Al-Maghrib 5 trading days prior to the coupon anniversary date. The new **Nominal Interest Rate** will be published by the Issuer in a legal announcements newspaper 4 trading days prior to the coupon payment anniversary. In case the 20 years Treasury bond rate is not directly observable on the yield curve, the 20 years Treasury bond reference will be based on the linear interpolation method using two points around the full 20 years maturity (actuarial basis).
Coupon Payment Date	Annually at the anniversary of the notes' **Entitlement Date,** i.e. May 14th of each year, or on the 1st business day following this date if it is not a business day. The interest will cease to accrue from the date the principal is redeemed.
Risk Premium	Between 110 and 130 basis points
Applicable Step-up	▪ Before and excluding the **First Redemption Option Date,** no step-up shall be added to the **Risk Premium.**

	▪ From and including May 14th, 2038 (**Entitlement Date** + 20 years), a first step-up of 25 basis points shall be added to the **Risk Premium**. ▪ From and including May 14th, 2058 (**Entitlement Date** + 40 years), an additional step-up of 75 basis points shall apply .
Payable Coupon	At each **Coupon Payment Date**, the payable coupon shall be the sum of: **(i) Base Coupon**; and **(ii) Interest Account.**
Base Coupon	**C = T x P x J/365 or 366 (in the case of a leap year)** C : Base coupon P : Principal T : Nominal Interest Rate J : Exact number of days
Interest Account	▪ Nil at the date of the first **Coupon Payment Date** ▪ At the following **Coupon Payment Dates,** means the product of**:** **(i) Payable Coupon** at the preceding **Coupon Payment Date** minus the coupon paid at the preceding **Coupon Payment Date**; and (ii) (1+ **Nominal Interest Rate** applicable for the period x J/365 or 366 (in the case of a leap year))
Coupon Payment	The **Payable Coupon** shall be paid annually at each anniversary date of the **Entitlement Date** of the notes, ie May 14th of each year, or the next business day if this day is not a business day. However, the Issuer may at its option, elect to defer this payment, in whole, but not in part subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Cases of Coupon Deferral	**Deferral of the Coupon at the issuer's discretion** At each **Coupon Payment Date**, the Issuer can elect, subject to a prior notice to the note holders at least **30 business days** before that date, through the **Centralizing Body and Custodian,** the **Note Holders Representative,** the AMMC, the Casablanca Stock Exchange, and after a publication by the Issuer of a notice in a legal

	announcements newspaper, to defer the payment, in whole but not in part of the **Payable Coupon** for all tranches from A to E. Any payment deferral shall not constitute a default by the Issuer, subject to compliance with the **Restriction on *Pari-Passu* and Junior Tranches Remuneration**.
Restriction on *Parri-Passu* and Junior Tranches Remuneration	If the issuer, at its own discretion, elects to differ the payment of a **Payable Coupon,** the issuer will not be entitled to: - Declare or distribute any dividend on ordinary shares relative to the current financial year, or pay an interest on any tranche which is *pari-passu* to the present notes, or - Redeem, cancel, purchase or buy-back any tranches that are *pari-passu* to the present notes, or ordinary shares.
Optional Redemption	From and including the **First Redemption Option Date,** and annually at each **Interest Rate Reset Date**, the Issuer may, subject to a prior notice to the **Representative of the Note Holders,** the **Centralizing Body and Custodian,** the AMMC, the Casablanca Stock Exchange and a publication of a notice in a legal announcements newspaper at least a **30 calendar days** before that date**,** redeem the notes at par (the nominal), in whole, but not in part, increased by the **Payable Coupon** at the redemption date. This notification remains firm and irrevocable.
Other Optional Early Redemption Event	The Issuer may, subject to a prior written notice with acknowledgement of receipt of at least a **30 calendar days** to the **Representative of the Note Holders** to the **Centralizing Body and Custodian,** to the AMMC, to the Casablanca Stock Exchange and a publication of a notice in a legal announcements newspaper, redeem the Issue in par (nominal) in whole, but not in part, including all the tranches, at its principal amount, together with the **Payable Coupon** at the set redemption date if the following event occurs: - at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment or a change has occurred regarding the **Equity Content** criteria of such rating agency, which amendment or change results in a lower **Equity Content** for the notes than the then respective **Equity Content** assigned on

	the issue date, or if **Equity Content** is not assigned on the issue date, at the date at which the **Equity Content** is assigned for the first time (a **"Rating Methodology Event"**)
Equity Content	The portion of the Issue incorporated in the Issuer's equity by the rating agencies.
Assimilations	The perpetual subordinated notes issued in the present Transaction has not been assimilated to any previously issued notes. In the event that the Issuer were to subsequently issue new securities that have identical rights, in all aspects, to those of the present issue, it may, without requiring the bearers' consent, and provided the issue contracts allow it, assimilate all the securities of the subsequent issues, thereby unifying all operations relating to their management and trading.
Ranking/Subordination	The issued notes are subordinated securities. The principal and interest of the notes represent unconditional, unsecured direct commitments. They are subordinated with the lowest ranking and are and shall be senior solely to the Issuer's ordinary shares.
Guarantee	This issue is unsecured
Notes Tradability	The notes are tradable on the Casablanca Stock Exchange, only between qualified investors provided for by the provisions of Article 12-3 of the Dahir number 1-93-212 as amended and supplemented and as listed in Article III.1.21 of the AMMC circular subject to the legal dispositions that apply to them. These notes cannot be offered, sold, or resold in the United States, or to a United States resident.
Payment of the Notes in the Event of the Liquidation of the Issuer	If any judgment is rendered by the competent court declaring the judicial liquidation of the Issuer or to sell off the business as a whole following a legal redress in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason, the payments of the creditors of the Issuer shall be made according to the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interests (including **the Interest Account**) on the notes may be made until all holders of other indebtedness (other than securities ranking *pari-passu*) have been paid in full. This means that:

	- Unsubordinated creditors under the Issuer's unsubordinated obligations; - Ordinary subordinated creditors under the Issuer's ordinary subordinated obligations; will be paid in priority to the creditors ranking *pari-passu* with the holders of the present notes.
Representative of the Note Holders	The President of the Board of Directors decided, in accordance with the General Assembly decision of 22 June 2017, to designate the firm **HDID Consultants,** represented by **Mr. Mohamed HDID**, acting as managing partner, 4 rue Maati Jazouli, Casablanca, as the interim representative of Tranche C note holders pending the holding of the general meeting of note holders that should designate these note holders' representative, on the understanding that the date of entry into force of this decision is the opening date for the subscription period of tranche A notes, and that the appointed interim representative is identical for Tranche C, that are gathered in a single and same note holders group. Furthermore, the President of the Board of Directors undertakes to call a note holders' general meeting within a maximum period of one year from the opening date of the subscription period, in order to designate the permanent representative. The identity of this person shall be made public via press release.
Rating	The present Issue is not rated
Governing Law **Competent Jurisdiction**	Moroccan law Casablanca Commercial Court
Centralizing Body and Custodian	Refers to Attijariwafa Bank as the centralizing body and custodian, in charge of the notes' financial servicing.

II OBJECTIVES OF THE OFFERING

Within the framework of its development program aiming at cementing its position as leader, OCP has launched its Capital Expenditure Program with a scale of around 200 billion MAD within the period of 2008-2030.

This major capital expenditure program is financed through both equity and debt.

In order to finance its investment program,the company decided to issue local subordinated notes. This offering is consistent with the company's strategy to optimize its access to the capital market and to diversify its financing sources.

Resort to a loan by the issue of perpetual subordinated notes allows the Issuer to consolidate its financial structure, in particular by giving it an equity treatment by the rating agencies, subject to compliance with the conditions required by the latter.

Also,in order to maintain this note in the permanent part of its capital structure, OCP intends to fund any payment of this note on the date of the payment of notes or within 6 months prior to such date, capital issuance, or pari-passu securities whose terms confer a treatment that is at least equivalent to the level of capital content of the repurchased securities.

III TRANSACTION SCHEDULE

The period of subscription will be open for bodies in charge of underwriting. The transaction schedule is presented as follows:

Order	Steps	Dates
1	Full transaction filing received by the Casablanca Stock Exchange	April 11th, 2018
2	Notice of approval of the transaction by the Casablanca Stock Exchange	April 23th , 2018
3	AMMC-approved prospectus received by the Casablanca Stock Exchange	April 23th, 2018
4	Publication of the notice relative to the transaction in the Casablanca Stock Exchange official bulletin *Bulletin de la Cote*. for tranches B.	April 24th, 2018
5	Publication of the extract of the prospectus in a newspaper for legal announcements	April 25th, 2018
6	Opening of the subscription period	May 2nd , 2018
7	Closing of the subscription period	May 4th, 2018
8	Receipt by the Casablanca Stock Exchange of the transaction results and the nominal rates before 10:00 a.m.	May 7th, 2018
9	- Listing of the notes - Registration of the transaction on the stock market - Announcement of the transaction results in the official bulletin of the Casablanca stock exchange (Bulletin de la cote)	May 9th, 2018
10	Settlement and delivery	May 14th, 2018
11	Publication of the transaction results on a legal announcements newspaper	May 14th, 2018

PART III. INFORMATION ON THE ISSUER

I. General information

Corporate name	OCP SA
Head office	2, Al Abtal street, Hay Erraha, Casablanca
Telephone	05.22.23.00.25
Fax	05.22.22.17.53
Website	www.ocpgroup.ma
Legal form	*Société Anonyme* (Joint Stock Company) governed by the laws and regulations in force, including Dahir no. 1-96-124 of Rabii II 14 , 1 417 promulgating Law no 17-95 on *Société Anonyme* as amended and supplemented by the laws no 81-99, 23-01, 20-05 et 72-12 .
Date of incorporation	Office Chérifien des Phosphates : August 7th, 1920 OCP SA: Law no. 46-07 of February 26th, 2008 relative to the transformation of *Office Chérifien des Phosphates* into a *Société Anonyme (SA)*
Term of the company	The term of the Company is set at 99 years starting April 1st, 2008, except in the case of an early dissolution or an extension under the conditions provided by the company's charter or by law
Commercial register	Casablanca, 40 327
Fiscal year	Starting January 1st until December 31st
Share capital	MAD 8 287 500 000 composed of 82 875 000 registered shares with a nominal value of MAD100 each, all fully paid and of the same category
Access to legal documentation	The Company's charter, the minutes of the Ordinary General Meetings, and the auditors' reports are available at the headquarters of OCP SA: 2 Rue Al Abtal, Hay Erraha, Casablanca.
Company's purpose	Pursuant to article 2 of the company's charter, the Company's purpose is: ▪ The use of a monopoly over research and operations of phosphate reserves granted by the State under article 6 of the Dahir[1] of 9 Rejeb 1370 (16 April 1951) on mining regulation and more generally in accordance with Law no 46 -07; ▪ All activities, operations and services of any kind, directly or indirectly related to the operation, processing and / or marketing in addition to the promotion and development, both in Morocco and abroad, of phosphates and its derivatives; ▪ More generally, any transactions or structuring of financial, commercial, industrial, real estate, securities or other transactions linked directly or indirectly, in whole or in part to the corporate purpose described herein and to any similar or related purpose likely to facilitate or to promote the development of the Company and its business; ▪ All directly or indirectly, for its own account or on behalf of third parties, either alone or with third parties, through the creation of new companies of any form, contribution, sponsorship, subscription, purchase of securities or social rights, merger, alliance, partnership, or taking or giving in rent or management of any property or rights, or otherwise, subject to the limitations imposed by law, both in Morocco and abroad.
Laws and regulations applicable to the issuer	Given its legal form and its predominantly state-owned capital, OCP SA is

[1] Royal decree

governed by Moroccan Law, particularly by:

- Law no 17-95 on joint stock companies (Sociétés Anonymes), promulgated by the Dahir no 1-96-124 of August 30th, 1996, as amended and supplemented by the laws no 20-05 and 78-12;
- Law no 69-00 relative to the State's financial control over public companies and other organizations;
- Law no 02-12 relative to nominations to senior government posts according to the provisions of articles 49 and 92 of the Constitution, promulgated by the Dahir no 1-12-20 of July 17th, 2012

  Law No. 39-89 relative to the transfer of public enterprises to the private sector.

Given its operations, OCP is governed by:

- Law no 46-07relative to the transformation of the Office Chérifien des Phosphates into a joint stock company, promulgated by the Dahir no 1-08-5 of February 26th, 2008. Article 2 of this law specifies that the main purpose of OCP SA is the use of a monopoly over research and operations of phosphate reserves granted by the State under article 6 of the Dahir of April 16th, 1951 on mining regulation;
- Dahir of April 16th 1951 on mining regulation;
- Dahir of November 30th, 1918, relative to temporary occupations of the public domain;
- Dahir no 1-95-154 of August 16th, 1995, promulgating law no 10-95 relative to water (Official Bulletin of September 20th, 1995);
- Dahir no 1-03-61 of May 12th, 2003, promulgating Law no 13-03 relative to the fight against air pollution (Official Bulletin of June 19th, 2003);
- Dahir no 1-06-153 of November 22nd, 2006, promulgating Law no 28-00 relative to waste management and disposal (Official Bulletin no 5480 of December 7th 2006);
- Dahir no 1-03-60 of May 12th, 2013, promulgating law no 12-03 relative to environmental impact studies (Official Bulletin of June 19th, 2003);
- Dahir no 1-14-09 of March 6th, 2014 promulgating the framework law no 99-12 relative to the national charter for environment and sustainable development (Official Bulletin no 6240 of March 20th, 2014);
- Dahir of August 25th, 1914, promulgating the rules governing unhealthy, inconvenient or dangerous establishments (Official Bulletin of September 7th, 1914);

Due to its public offering, OCP SA is governed by all statutory and regulatory provisions relating to public offering, namely:

- Dahir providing Law no 1-93-212 dated September 21st, 1993 as amended and supplemented bylaws n° 23-01, 36-05, and 44-06;
- Dahir no 1-93-211 of September 21st , 1993 on the Stock Exchange as amended and supplemented by laws no 34-96, 29-00, 52-01 and 45-06;
- The General Rules of the Stock Exchange approved by the decree of the Minister of Economy and Finance no 499-98 of July 27th, 1998 and amended by the decree of the Minister of Economy, Finance, Privatization and Tourism no 1960-01 of October 30th, 2001, and as modified by the amendment of June 2004 that came into effect in November 2004 by decree no 1268-08 of July 7th, 2008;
- Dahir no 1-96-246 of January 9th, 2011, providing Law no 35-96 on the creation of a central depository and the establishment of a general system of registration of certain securities, as amended and supplemented by Law no 43-02;
- The General Regulation of the Central Depository approved by the decree of the Minister of Economy and Finance no 932-98 of April 16th, 1998, amended by the decree of the Minister of Economy and Finance , Privatization and Tourism no 1961-01 of October 30th, 2001.
- The General Regulations of AMMC as approved by the decree of the Minister of Economy and Finance no 2169/16 of July 14th, 2016.

Competent court for disputes	Commercial court of Casablanca
Applicable taxation regime	OCP SA is subject to the progressive corporate tax rate, and to a VAT rate of 20% Given that the Company is an exporter, OCP SA has an income tax exemption ensuring a favourable rate of 17.5% on its exports.

II. INFORMATION ON THE CAPITAL OF OCP

II.1. GENERAL INFORMATION

In mars 31, 2018, the share capital of OCP SA amounts to 8.287.500.000 MAD, and is fully paid-up. It is composed of 82.875.000 shares with a nominal value of MAD 100.

II.2. SHAREHOLDING HISTORY

II.2.1. SHARE CAPITAL HISTORY

In December 31st, 2017, the share capital of OCP SA amounted to 8.287.500.000 dirhams, composed of 82.875.000 shares with a nominal value of MAD 100.

The share capital of OCP SA has been subject to the following changes over the past 10 years :

Date	Transaction	Number of shares issued	Share price (MAD)	Nominal value	Transaction amount	Total number of shares	Share capital (post transaction) (KMAD)
26/02/2008	Transformation of *Office Chérifien des Phosphates* into a Joint Stock Company (SA)	78 000 000	100	100	7 800 000	78 000 000	7 800 000
13/01/2009	Capital Increase for BCP	4 875 000	1 025.64	100	5 000 000	82 875 000	8 287 500

Source : OCP SA

On February 26th, 2008, OCP, a public establishment, was transformed into a *société anonyme* (Joint Stock Company) with the new name "OCP SA", with a share capital of MAD 7,800,000,000 divided into 78,000,000 shares of a nominal value of 100 dirhams each.

On January 13th, 2009, OCP SA proceeded to increase its own funds in the amount of 5 billion MAD entirely reserved for the Banque Centrale Populaire (BCP). This transaction consisted in the issuance of 4,875,000 new shares representing 5.88% of the capital of OCP SA post capital increase. The said shares were issued at the price of MAD 1,025.64, including MAD 100 nominal and MAD 925.64 share premium.

On December 22nd, 2011, BCP transferred to:

- Moussahama II Fund, a subsidiary of BCP, 472,507 shares that it held in the share capital of OCP SA, representing 0.57% of the share capital of OCP SA
- Infra Maroc Capital, a subsidiary of BCP, 356,243 shares that it held in the share capital of OCP SA, representing 0.43% of the share capital of OCP SA.

In December 2012, the *Société d'Aménagement et de Développement Vert* ("SADV"), a subsidiary of OCP, acquired OCP shares held by BCP and those held by the Moussahama II Fund, to hold a total of 0.88% of the capital of OCP SA, that is:

- 256,793 shares held by BCP representing 0.31% of the share capital of OCP SA
- 472,507 shares held by the Moussahama II Fund representing 0.57% of the share capital of OCP SA. Through this transaction, the Moussahama II Fund sold all of its shares held in OCP SA.

In 2015, BCP transferred 1.82% of the capital of OCP SA to its subsidiary Infra Maroc Capital, representing 1,509,076 shares.

In 2016, BCP transferred to its subsidiary Infra Maroc Capital 605,811 shares representing 0.73% of the capital of OCP SA.

In 2017, BCP transferred to Upline Infrastructure Fund 908,717 shares representing 1.10% of the capital of OCP SA.

II.2.2. HISTORY OF THE SHAREHOLDING OVER THE PAST FIVE YEARS

Shareholder	31/12/2013			31/12/2014		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Moroccan state	78 000 000	94.12%	94.12%	78 000 000	94.12%	94.12%
Banque Centrale Populaire	3 789 457	4.57%	4.57%	3 789 457	4.57%	4.57%
SADV	729 300	0.88%	0.88%	729 300	0.88%	0.88%
Infra Maroc Capital	356 243	0.43%	0.43%	356 243	0.43%	0.43%
Total	**82 875 000**	**100%**	**100%**	**82 875 000**	**100%**	**100%**

Source : OCP SA

Shareholder	31/12/2015			31/12/2016			31/12/2017		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Moroccan state	78 000 000	94.12%	94.12%	78 000 000	94.12%	94.12%	78 000 000	94.12%	94.12%
Banque Centrale Populaire	2 280 381	2.75%	2.75%	1 674 570	2.02%	2.02%	765853	0.92%	0.92%
SADV	729 300	0.88%	0.88%	729 300	0.88%	0.88%	729 300	0.88%	0.88%
Infra Maroc Capital	1 865 319	2.25%	2.25%	2 471 130	2.98%	2.98%	2 471 130	2.98%	2.98%
Upline Infrastructure Fund	-	-	-	-	-	-	908 717	1.10%	1.10%
Total	**82 875 000**	**100%**	**100%**	**82 875 000**	**100%**	**100%**	**82 875 000**	**100%**	**100%**

Source : OCP SA

II.3. SHAREHOLDING STRUCTURE

II.3.1. OCP SA CAPITAL ALLOCATION IN MARCH 31ST, 2018

The shareholding structure of OCP SA is as follows:

Shareholder	Number of shares	% of capital & voting rights
Moroccan state	78 000 000	94.12%
Banque Centrale Populaire	765853	0.92%
SADV	729 300	0.88%
Infra Maroc Capital	2 471 130	2.98%
Upline Infrastructure Fund	908 717	1.10%
Total	**82 875 000**	**100%**

Source : OCP SA

III. ADMINISTRATIVE BODIES

Articles 12 to 19 of OCP's charter contain rules on the composition, convening notice modes, powers, functioning and quorum of OCP SA's Board of Directors. They comply with Law no. 17-95 on joint stock company (*Société anonyme*) and Article 3 of Law no. 46-07 pertaining to the transformation of *Office Chérifien des Phosphates* into a joint stock company (*Société anonyme*).

III.1. COMPOSITION OF THE BOARD

Articles 12 and 14 of OCP SA's charter provide that:

- The Company is managed by a Board of Directors composed of at least three members and at most twelve members from amongst the shareholders and appointed in accordance with Law no 17-95 on joint stock company (*Société anonyme*) as amended and supplemented by Law no 20-05;
- The term of office of the first directors designated by the charter is three years;
- The term of office of directors appointed by the General Meeting of Shareholders (AGO) is six years. It expires following the Ordinary General Meeting that approves the accounts for the previous financial year, held in the year in which their mandate expires;
- The Board of Directors elects a Chairman, from amongst its individual members, and sets his/her term of office which may not exceed his/her term as a director; The Board also appoints a secretary, even outside of its members;

The Board of OCP SA is chaired by Mr. Mostafa TERRAB whose mandate has been renewed on March 14th, 2017. The composition of the Board of OCP SA as at March 31st, 2018 is as follows:

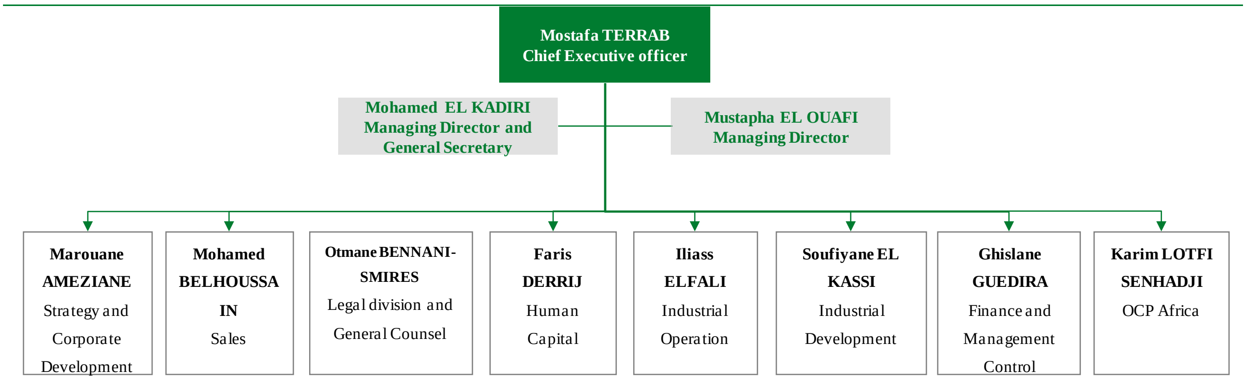
Members of the Board	Current function	Appointment date / Cooptation	Mandate expiry date
Mr. Mostafa TERRAB Chairman and CEO	Chairman and CEO	2008	OGM Accounts 2022
BCP as represented by Mr. Mohamed BENCHAABOUN CEO of Banque Centrale Populaire	Director	2009	OGM Accounts 2020
Mr. Nasser BOURITA Minister of Foreign Affairs and Cooperation	Director	2018	OGM Accounts 2021
Mr. Mohamed BOUSSAID Minister of Economy and Finance	Director	2014	OGM Accounts 2022
Mr. Lahcen DAOUDI M Deputy Minister to the Head of the Government in charge of General Affairs and Governance	Director	2018	OGM Accounts 2022
Mr. Moulay Hafid ELALAMY Minister of Industry. Trade. Investment and Digital Economy	Director	2014	OGM Accounts 2019
Mr. Abdelouafi LAFTIT Minister of Interior	Director	2018	OGM Accounts 2022
Mr. Ariz RABBAH Minister of Energy. Mines. Water and Environment	Director	2018	OGM Accounts 2023
Mr. Mohamed SADIKI General Secretary to the Ministry of Agriculture and Maritime Fishing	Director	2015	OGM Accounts 2022

Source : OCP SA

The secretariat of the board shall be provided by Mr. Mohamed EL KADIRI (Deputy Managing Director and General Secretary of OCP SA).

III.2. Senior Management

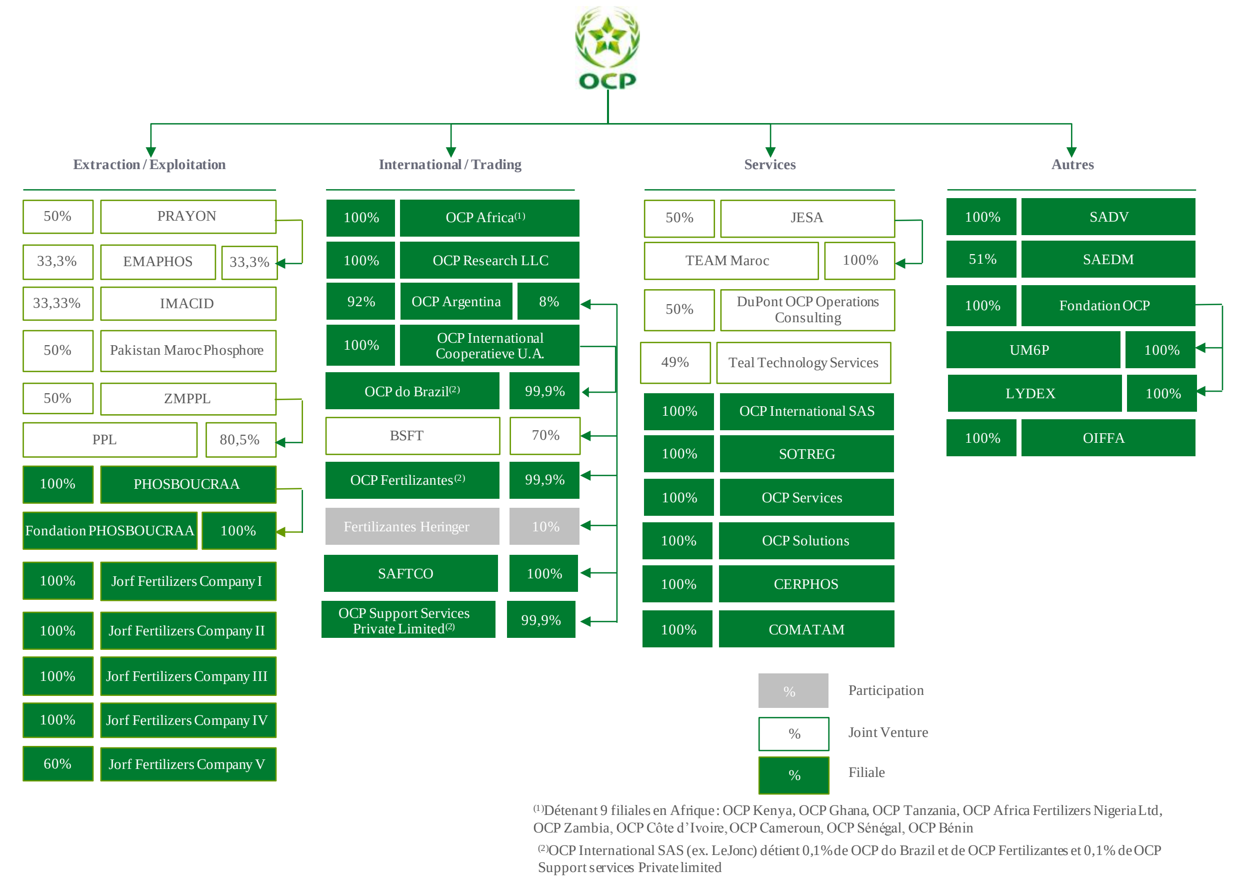
The organisational chart of OCP SA as of March 31st. 2018 is as follows:



Source : OCP SA

IV. Legal Organisational Structure

OCP SA principal subsidiaries and ownership of the subsidiaries' share capital as of March 31st. 2018:



(*) Subsidiaires and ownership of the subsidiaries' share capital
the presented holding percentage corresponds to the direct holding percentage

OCP Group operates in the field of phosphate industry and its by-products, its phosphate extraction and processing activity is carried out at the Khouribga, Benguerir, Youssoufia and Boucraâ-Laayoune mining sites.

V. OCP BUSINESS

The OCP Group is involved across the entire phosphate value chain and specializes in the extraction, processing, marketing and sale of (i) phosphate, (ii) phosphoric acid (including purified phosphoric acid) and (iii) phosphate fertilizers.

In 2017, OCP is one of the world leaders in the production of phosphates, phosphoric acid and phosphate fertilizers.

The OCP Group's mining activities are located in the Khouribga, Gantour and Boucraâ regions. They consist of the extraction, processing, enrichment and delivery of phosphates to the Group's chemical units based in Jorf Lasfar and Safi, as well as the export of rock to more than thirty countries.

The Group processes approximately two-thirds of its phosphate rock production into phosphoric acid, a significant part of which is in turn further processed into phosphate-based fertilizers. In addition to phosphoric acid, the Group produces and exports four major types of phosphate-based fertilizers: MAP, DAP, NPK, TSP, The Group also started producing a number of specialized fertilizer products, such as Sulphur-enriched fertilizers, reactive phosphate rock, fertilizers enriched with micronutrients and feed phosphate products.

The Group sells its products to other industrial companies, including integrated and non-integrated players, large and established traders and distributors.

The Group activity is organized in two main areas:

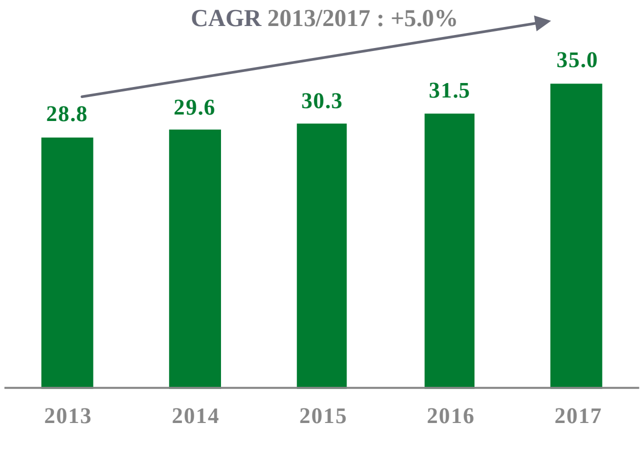
- Northern axis: includes the mining site of Khouribga, and the chemical site of Jorf Lasfar. Both sites are connected by a slurry pipeline;
- Central axis: includes the Gantour basin (Benguerir and Youssoufia), the mining site of Boucraa and the chemical site of Safi.

V.1. EVOLUTION OF PHOSPHATE ROCK OPERATION

V.1.1. EVOLUTION PRODUCED QUANTITIES

The total phosphate rock production of OCP Group, as at the end of 2017 amounts to 33.3 million tons. The Khouribga site alone represents more than 75% of this production.
The evolution of phosphate extraction volumes between 2013 and 2017 is presented in the following chart:

Evolution of phosphate extraction volumes[2] (in million tons)

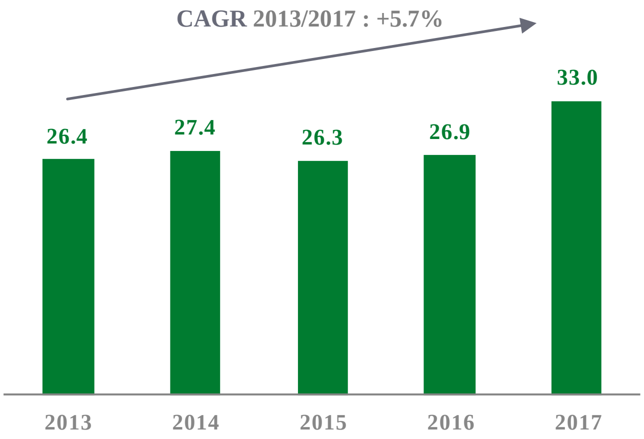


Source : OCP SA

[2] These volumes are expressed in TSM (Tonne Sec Marchand)

The evolution of processed phosphate volumes over the past 5 years is presented in the following chart:

VI. Evolution of market production volumes - Processed phosphates - (in million tons)

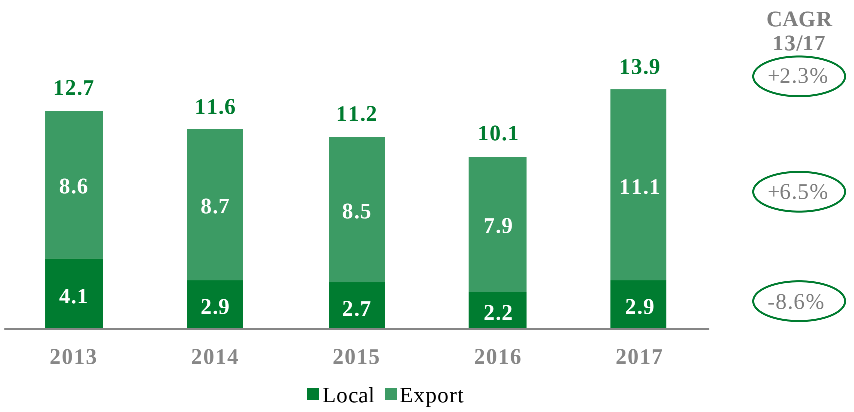


Source : OCP SA

VI.1.1. Evolution of sold quantities

The evolution of phosphate volumes sold (consolidated) between 2013 and 2017 is as follows:

Evolution of phosphate sales volumes - exports and local sales (in million tons)



Source : OCP SA. IFRS net of intra-group transactions

Export sale represented 80% in 2017. Local sale is composed primarily of sale to joint ventures of the Group.

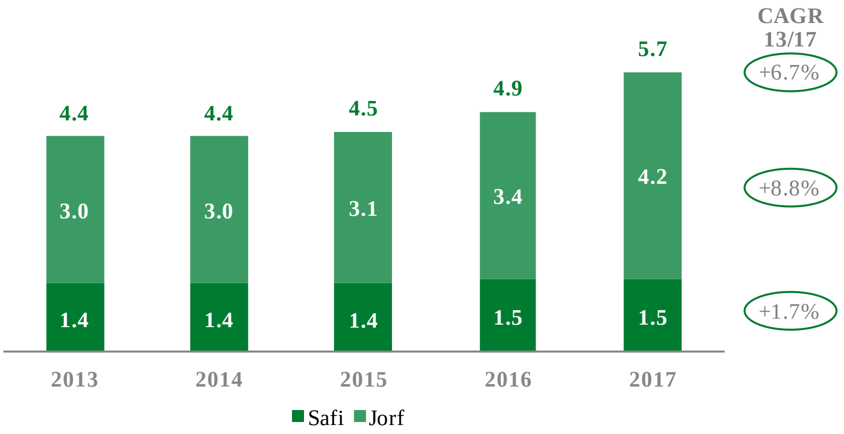
VI.2. EVOLUTION OF PHOSPHORIC ACID OPERATION

VI.2.1. EVOLUTION OF PRODUCED QUANTITIES

The total phosphoric acid production by OCP Group, as at the end of 2017, reached 5.7 million tons P_2O_5, 74% of which has been produced in the Jorf Lasfar site, and 26% in Safi.

The evolution of phosphoric acid volumes produced (all subsidiaries combined) between 2013 and 2017 is presented in the following chart:

Evolution of phosphoric acid production volumes by site (in million P_2O_5 tons)



Source : OCP SA

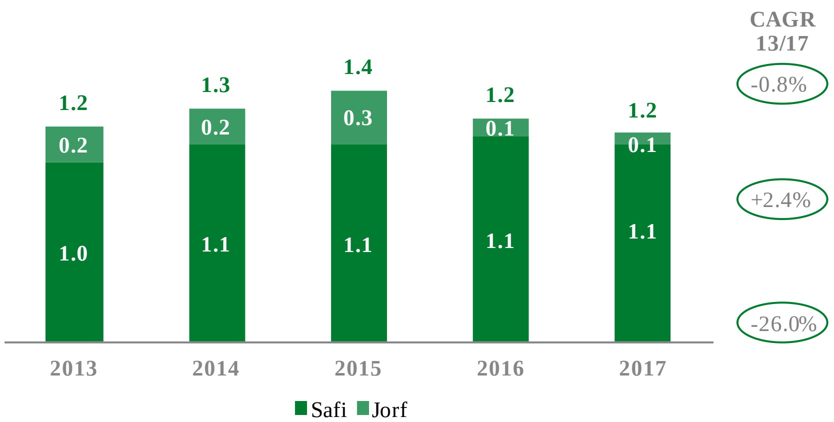
Within the period of 2013 and 2017, the production of phosphoric acid has known an average annual growth of 6,7% thanks to the growing demand for fertilizers.

VI.2.2. EVOLUTION OF SOLD QUANTITIES

OCP Group's phosphoric acid sales are destined almost exclusively to the international market, The share of local sales in the total sales of phosphoric acid represents 8.3% in 2017.

The evolution of sold phosphoric acid volumes (consolidated) between 2013 and 2017 is as follows :

Evolution of sold phosphoric acid volumes by site (in million P_2O_5 tons)



Source : OCP SA. IFRS net of intra-group transactions

The evolution of phosphoric acid volumes sold between export and local between 2013 and 2017 is as follows:

The evolution of phosphoric acid volumes sold between export and local (in million P_2O_5 tons)

Source :OCP SA

The sake of phosphoric acid totalled in 1.4 million P_2O_5 tons in 2017, with an average annual growth of 1.9% since 2013 driven mainly by export sales.

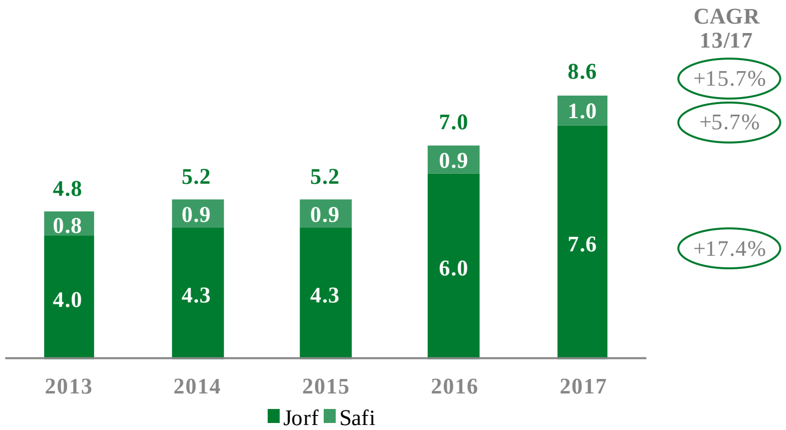
VI.3. Evolution of fertilizers operation

VI.3.1. Evolution of produced quantities

The total OCP Group's production of fertilizers amounts to 8.6 million tons as at the end of 2017. The site of Jorf Lasfar represents more than 82% of the global production of fertilizers in 2017.

The evolution of fertilizers production volumes between 2013 and 2017 is presented below:

Evolution of fertilizers production volumes between 2013-2017 (in million tons)

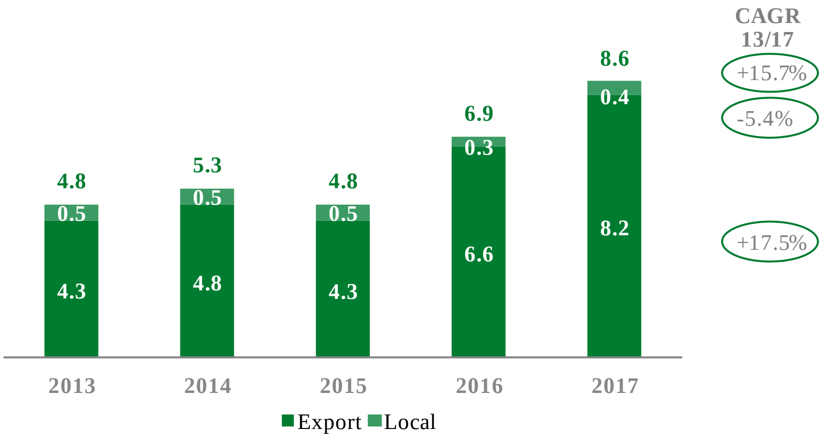


Source :OCP SA

VI.3.2. EVOLUTION OF SOLD QUANTITIES

The evolution of fertilizers volumes sold between the period of 2013 and 2017 is as follows:

Evolution of fertilizers sale in million P_2O_5 tons)



Source : OCP SA. IFRS net of intra-group transactions

Within 2013 and 2017, the production of fertilizers averaged 15.7% annual growth due to the growing demand for fertilizers.

In 2017, fertilizer production at the Jorf Lasfar site increased by 32.9% compared to the year 2016 mainly due to the increase in DAP fertilizer product volumes to 2.9 million tons. This is mainly due to the start of the JFC II fertilizer plant in July 2016 and the launch of JFC III in April 2017.

PART III. FINANCIAL INFORMATION

I OCP GROUP CONSOLIDATED INCOME STATEMENT

The following table presents the historical figures of the Group's consolidated income statement for the periods ending on 2015, 2016 and 2017:

In MMAD	2017	2016	2015	Var. 17/16	Var. 16/15
REVENUE	**48 503**	**42 471**	**47 747**	**14.2%**	**-11.0%**
Production held as inventory	201	207	2 205	-2.6%	-90.6%
Purchases consumed	-18 786	-15 207	-17 404	23.5%	-12.6%
External expenses	-8 534	-6 823	-7 241	25.1%	-5.8%
Personnel Expenses	-8 478	-7 977	-8 093	6.3%	-1.4%
Taxes	-227	-217	-244	4.3%	-10.8%
Profit (loss) of equity-accounted operating companies	337	123	358	>100%	-65.5%
Exchange gains and losses on operating receivables and payables	-266	135	329	<-100%	-59.0%
Other operating income and expenses	-27	63	0	<-100%	Ns
EBITDA	**12 722**	**12 777**	**17 659**	**-0.4%**	**-27.6%**
EBITDA margin (EBITDA / Revenue)	***26.2%***	***30.1%***	***37.0%***	***-3.9 pts***	***-6.9 pts***
Amortization, depreciation and operating provisions	-6 150	-4 475	-3 840	37.4%	16.6%
Current operating income	**6 572**	**8 301**	**13 820**	**-20.8%**	**-39.9%**
Other non-current operating income and expenses	-1 107	-1 707	145	-35.1%	<-100%
OPERATING PROFIT	**5 465**	**6 594**	**13 965**	**-17.1%**	**-52.8%**
Operating margin (OP / Revenue)	***11.3%***	***15.5%***	***29.2%***	***-4.3 pts***	***-13.7 pts***
Cost of gross financial debt	-1 388	-714	-591	94.5%	20.7%
Financial income from cash investments	220	311	228	-29.4%	36.3%
Cost of net financial debt	**-1 168**	**-402**	**-363**	**>100%**	**10.9%**
Exchange gains and losses on financial receivables and payables	2 901	-579	-2 189	<-100%	-73.5%
Other financial income and expenses	-880	-160	-986	>100%	-83.7%
Financial profit	**853**	**-1 142**	**-3 537**	**<-100%**	**-67.7%**
PROFIT BEFORE TAX	**6 318**	**5 453**	**10 428**	**15.9%**	**-47.7%**
Pre-tax margin (PBT /Revenue)	***13.0%***	***12.8%***	***21.8%***	***0.2 pts***	***-9.0 pts***
Corporate income tax	-1 629	-1 673	-2 418	-2.6%	-30.8%
NET PROFIT FOR THE PERIOD	**4 689**	**3 780**	**8 010**	**24.1%**	**-52.8%**
Net margin (NP / Revenue)	***9.7%***	***8.9%***	***16.8%***	***0.8 pts***	***-7.9 pts***
Net profit – Group share	4 567	3 779	8 011	20.9%	-52.8%
Net profit – Non controlling interests	122	1		>100%	Ns
BASIC AND DILUTED EARNINGS PER SHARE IN MAD	**53.41**	**45.96**	**97.52**	**16.2%**	**-52.9%**

Source : OCP S.A

II OCP CONSOLIDATED BALANCE SHEET

The following table shows the main items of the Group's consolidated balance sheet for the periods ending on December 31th, 2015, 2016, and 2017:

En MMAD	2017	2016	2015	Var 17/16	Var 16/15
ASSETS					
Current assets					
Cash and Cash equivalents	8 419	11 017	9 246	-23.6%	19.1%
% balance sheet	*5.5%*	*7.3%*	*6.5%*	*-1.8pts*	*+0.8 pts*
Cash financial assets	2 709	4 885	7 097	-44.5%	-31.2%
Inventories	10 343	9 956	10 224	3.9%	-2.6%
% balance sheet	*6.7%*	*6.6%*	*7.2%*	*-0.1 pts*	*-0.6 pts*
Trade receivables	6 036	5 047	5 409	19.6%	-6.7%
% balance sheet	*3.9%*	*3.3%*	*3.8%*	*-0.6pts*	*-0.5pts*
Other current assets	10 204	10 724	10 836	-4.9%	-1.0%
Total current assets	**37 711**	**41 629**	**42 812**	**-9.4%**	**-2.8%**
% balance sheet	*24.5%*	*27.6%*	*30.2%*	*-3.1 pts*	*-2.6 pts*
Non-current assets					
Non-current financial assets	15 215	13 344	11 227	14.0%	18.9%
Investments in associates	3 726	3 464	3 436	7.6%	0.8%
Deferred tax assets	16	12	195	NA	-94.1%
Property, plant and equipment	97 015	92 234	83 981	5.2%	9.8%
% balance sheet	*63.0%*	*61.1%*	*59.2%*	*+1.9 pts*	*+1.9 pts*
Intangible assets	322	230	187	40.1%	22.8%
Total non-current assets	**116 293**	**109 283**	**99 027**	**6.4%**	**10.4%**
% balance sheet	*75.5%*	*72.4%*	*69.8%*	*+3.1 pts*	*+2.6 pts*
Total assets	**154 005**	**150 911**	**141 839**	**2.0%**	**6.4%**

Source : OCP S.A

En MMAD	2017	2016	2015	Var 17/16	Var 16/15
LIABILITIES					
Current liabilities					
Current loans and financial debts	7 935	5 954	4 798	33.3%	24.1%
% balance sheet	*5.2%*	*3.9%*	*3.4%*	*+1.2 pts*	*+0.6 pts*
Debts resulting from Murabaha operations	818			NA	NA
Current provisions	263	188	142	40.4%	31.7%
Trade payables	13 706	14 370	13 945	-4.6%	3.04%
% balance sheet	*8.9%*	*9.5%*	*9.8%*	*-0.6 pts*	*-0.3 pts*
Other current liabilities	5 268	5 159	7 412	2.1%	-30.4%
Total current liabilities	**27 991**	**25 670**	**26 298**	**9.0%**	**-2.4%**
% balance sheet	*18.2%*	*17.0%*	*18.5%*	*-1.2 pts*	*-1.5 pts*
Non-current loans and financial debts	46 244	47 967	46 792	-3.6%	2.5%
% balance sheet	*30.0%*	*31.8%*	*33.0%*	*-1.8 pts*	*-1.2 pts*
Non-current provisions for employee benefits	4 307	4 562	4 477	-5.6%	1.9%
Other non-current provisions	521	445	449	17.2%	-1.0%
Deferred tax liabilities	1 112	462	45	140.6%	937.6%
Total non-current liabilities	**52 184**	**53 436**	**51 763**	**-2.3%**	**3.2%**
% balance sheet	*33.9%*	*35.4%*	*36.5%*	*-1.5pts*	*-1.1 pts*
Issued capital	8 288	8 288	8 288	0.0%	0.0%
Paid-in capital	18 698	18 698	18 698	0.0%	0.0%
Consolidated reserves	40 858	39 570	28 781	3.3%	37.5%
Net profit for the period	4 567	3 779	8 011	20.8%	-52.8%
Shareholder's equity	**72 411**	**70 335**	**63 776**	**3.0%**	**10.3%**
Share of non-controlling interests	1 419	1 470	3	-3.5%	NA
Total Equity	**73 830**	**71 805**	**63 779**	**2.8%**	**12.6%**
% balance sheet	*47.9%*	*47.6%*	*45.0%*	*+0.4 pts*	*+2.6 pts*
Total equity and liabilities	**154 005**	**150 911**	**141 839**	**2.0%**	**6.4%**

Source : OCP S.A

PART IV. RISK FACTORS

I. RISKS RELATED TO THE PHOSPHATE AND FERTILIZERS INDUSTRY

I.1. THE GROUP OPERATES IN A CYCLICAL SECTOR

The international market of fertilizers and other phosphate-derived products is impacted by periodic imbalances of supply and demand. Periods of high demand and rising prices lead industry players to invest in new facilities implying an increase in the production. When the supply exceeds the demand, the resulting overcapacity and falling prices lead to a restriction on investments and the beginning of a new cycle.

I.2. DEMAND FOR FERTILIZERS MAY BE VOLATILE IN RESPONSE TO MACROECONOMIC FACTORS

The Group operates on a global basis and generally attempts to mitigate reduced sales volumes in a particular region experiencing adverse economic conditions by increasing sales in regions where economic conditions are more favourable. Such mitigation, however, can be difficult when economic conditions are unfavourable globally.

I.3. THE OPERATIONS OF OCP GROUP ARE CLOSELY RELATED TO THE AGRICULTURAL SECTOR

The Group's operations largely depend on the agricultural sector and are substantially affected by the same trends that impact the latter, including agricultural products prices, adverse weather conditions and seasonality.

The following factors could have an impact on OCP Group's activity:

- Lower agricultural product prices may impact negatively agricultural production, which could decrease demand for fertilizers and result in downward pressure on fertilizers prices;
- Replacement of fertilizer application with other products or techniques aimed at improving crop yield (such as GMOs) could result in a decline in fertilizer use;
- Adverse weather conditions and climate change in some regions which may lead to decline in demand for fertilizers;
- Fertilizers application periods differ from region to region, which may lead to significant fertilizers' demand variation throughout the year. In addition, the purchase timing of farmers and distributors can increase the seasonality of the business.

I.4. THE GROUP IS EXPOSED TO GOVERNEMENT POLICIES

The Group is exposed to governmental policies in Morocco and its export countries as well as in the countries where its raw materials' suppliers operate, including:

- Export and import duties on fertilizers and import or export quotas on phosphate products;
- The allocation of subsidies to farmers;
- Environmental policies namely those pertaining to heavy metals;
- Trade barriers such as antidumping duties and quotas.

I.5. RISKS RELATED RO COMPETITION

The Group faces intense competition from foreign producers. Phosphate rock, phosphoric acid and phosphate-based fertilizers are global commodities. Customers base their purchasing decisions primarily on the price of delivery, customer service, product quality and time to market.

OCP competes with a number of foreign producers, including some producers that benefit from government support as state owned or government-subsidised entities. Some of the Group's competitors may have competitive advantages similar to, or even superior to those of the Group.

These benefits include control over certain raw materials or access to low-cost raw materials, access to low-cost financing, geographical proximity to major suppliers or customers, or long-standing commercial relationships with international market players.

II. RISKS RELATED TO THE GROUP'S OPERATIONS

II.1. CAPITAL EXPENDITURE PROGRAM

The Group is engaged in a significant capital expenditure program. As part of these projects, the Group is exposed to various risks that could affect its ability to implement its program within budget and on time, and consequently, to achieve the efficiency gains and cost reductions expected in the investment program.

The program is funded partially by cash flows from operating activities in addition to external funding. The Group's business and financial condition may be adversely affected if it is unable to raise the necessary funds on acceptable cost and terms.

II.2. RISK RELATED TO JOINT-VENTURES

OCP'S Group conducts some of its production capital partnerships resulting in joint ventures in which it can sometimes have minority interests.

OCP is party to several joint-venture entities and agreements relating principally to phosphoric acid and purified phosphoric acid production, either directly or through its subsidiaries. The Group holds a 50% or less interest in the majority of these joint ventures. Accordingly, while it has a certain degree of influence, OCP does not solely control the operations or the assets of these joint-venture entities nor can it unilaterally make major decisions with respect to such entities. This lack of majority control may constrain the issuer's ability to have such entities take actions that would be in the best interests of the Group or refrain from taking actions that would be adverse to the interests of the Group and may result in operational inefficiencies or delays, which could in turn, negatively affect the Group's business.

II.3. TRANSPORTATION

The cost of transportation has an impact on the overall cost of the product. As a result, when transportation costs rises, sales volumes may decline. The Group may also be required, in such cases, to reduce its margins so that the overall price of the product remains competitive.

The bulk of the group's exports are shipped by sea via the ports of Casablanca, Jorf Lasfar, Safi and the wharf at Laayoune. In case of adverse weather conditions, these facilities may experience disturbances which can make the group's products exports and imports of raw materials difficult.

II.4. INCREASING PRODUCTION COSTS COULD HAVE A NEGATIVE IMPACT ON THE GROUP'S BUSINESS

The Group needs to purchase Ammonia and sulfur as raw material in the production of phosphate derivatives. Their prices may be subject to changes, which may affect the Group's profitability, particularly if it fails to pass on this increase on its sale price.
If any of the Group's principal raw materials suppliers were to experience business interruptions or if the Group was unable to renew contracts with its suppliers, it could have a negative impact on the business and Group's earnings.

II.5. OPERATIONAL RISK RELATED TO THE INDUSTRY

The Group is exposed to a hazard risk related to the mining activities. This risk includes, amongst others, risks associated with blasting operations, accidents related to construction activities and the collapse of the mine walls. The occurrence of these risks could have an impact on production costs and cause serious human and material damage.
Moreover, the Group's business involves the use and storage of chemicals and hazardous substances whose impact on the environment could be disastrous in case of leakage or explosion.

II.6. NATURAL CATASTROPHE RISK

The Group's facilities may be damaged as a result of unforeseen events, including natural disasters such as floods or fires causing property damages, loss or death.

II.7. FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risk principally because its reporting currency is Moroccan Dirhams and the major part of the Group's revenues is derived from export sales and received in USD. In addition, OCP Group conducts its purchases of raw materials (sulfur, ammonia) by freight services and a substantial part of its industrial purchasing is in USD. Therefore, the USD/MAD exchange rate, particularly a weaker US dollar compared to the MAD, may have a negative impact on the Group's operational earnings, causing an increase in interest expense on USD-denominated debt.

The Group is also indirectly impacted by the exchange rate to which customers are exposed. In case of an appreciation of the USD against the MAD, the customers' purchasing power decreases, and the Group's sales are impacted

II.8. INTEREST RATE RISK

Interest rates are subject to factors beyond the Group's control, including the policies of central banks, economic conditions and, in general, political factors.
A rise in interest rates will result in an increased interest expense of the Group, mainly relative to non-incurred debts.

II.9. FINANCING AND REFINANCING RISK

OCP may not be able to obtain financing, or refinancing for its current borrowings, on commercially acceptable terms, if at all.

As of December 31st, 2017, the Group's total outstanding loans amounted to 55,0 billion MAD. If the Group's cash flow is insufficient to repay its loans, it will have to renegotiate them or seek alternative financing from the capital markets.

The Group's ability to raise alternative financing or to renegotiate loans on commercially acceptable terms, or at all, depends, among other factors, on the general conditions of the domestic and international capital markets.
If alternative financing becomes necessary, the Group may not be able to obtain such financing or at least not on acceptable commercial terms.

III. RISKS RELATED TO THE OFFERED NOTES

The risk factors listed herein should not be considered as exhaustive, and may not cover all the risks that investing in the present notes involve.

Potential investors should be aware that the offered notes are subject to the following main risks:

III.1. RISK RELATED TO THE NATURE OF THE NOTES AND THE TYPE OF TARGETED INVESTORS

The notes may not be a suitable investment for all investors. Each potential investor must make its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with the help of a financial adviser.

It should be noted that the subscriptions to the notes are limited to qualified investors under Moroccan law, as listed in the present Prospectus. The trading of such notes on the secondary market is limited to the qualified investors listed in the present Prospectus. (See "Notes tradability"). Furthermore, there are no instruments similar to the offered notes on the Moroccan market, which implies a lack of benchmark in terms of the notes conditions, including the offered risk premium.

III.2. RISK RELATED TO THE RANKING OF THE NOTES

The issued notes are subordinated securities. The principal and interest pertaining to the notes are direct, unconditional, unsecured and subordinated obligations and are and will be senior solely to the Issuer's equity securities. In the event of any judgment rendered by any competent court declaring the judicial liquidation of the Issuer, or in the event of a transfer of the whole of the business of the Issuer subsequent to the opening of a legal redress, or if the Issuer is liquidated for any other reason, the rights of the note holders' to payment under the notes will be subordinated to the full payment of the unsubordinated creditors and of the ordinary subordinated creditors of the Issuer. Thus, the note holders face a higher risk of no repayment than holders of unsubordinated and ordinary subordinated obligations of the Issuer.

III.3. RISK RELATED TO THE PERPETUAL NATURE OF THE NOTES

The notes are perpetual securities, with no specified maturity date. The issuer is under no obligation to redeem the notes at any time. The note holders have no right to require redemption of the notes, except if a judgment is issued for the judicial liquidation of the Issuer or for the sale of the whole of the business following a legal redress of the Issuer or in the event of the liquidation of the Issuer for any other reason. Note holders should therefore be aware that the principal amount of the Notes may not be repaid and that they may lose the value of their capital investment.

III.4. RISK RELATED TO OPTIONAL REDEMPTION

The securities are perpetual notes of the Issuer with no fixed maturity date but may be redeemed at the option of the issuer according to the Tranches as from year 10 for Tranches A, B and C, and year 15 for the Tranche D and year 20 for Tranche E and at any time in the event of the occurrence of a rating methodology event (see "Other Case of Optional Redemption"). Such early redemption may have an

impact on the expected maturity of the notes and the note holders' reinvestment conditions.
It should be noted that the early redemption is at par (principal and payable coupon) and could occur at a time when the market value of the note is greater than the amount offered by the Issuer.

III.5. RISK RELATED TO COUPON PAYMENT DEFERRAL

On any applicable interest payment date, the Issuer may elect to defer payment of all (but not some only) of the interest accrued to that date, and any failure to pay shall not constitute a default by the Issuer subject to compliance with the restriction on *pari-passu* and junior tranches remuneration (see "Restriction on *Pari-Passu* and Junior Tranches Remuneration"). Deferred interest payments, even if they bear interest, expose note holders to reinvestment risk in the event that the deferred interest occurs during a period when the market rates for an equivalent risk is higher than the rate offered by the notes.

III.6. RISK RELATED TO INTEREST RATES FLUCTUATIONS

The value of the notes depends, among other factors, on the prevailing interest rates on the market. Thus, fluctuations in interest rates on the market can negatively impact the value of the notes. Moreover, the existence of options in favor of the issuer (redemption option, deferred interest option, etc.) means that the sensitivity of the notes to fluctuations in interest rates is different from that of notes with no options.

III.7. RISK RELATED TO A METHODOLOGY EVENT

A rating methodology event may occur after the notes issue, and might authorize the Issuer, subject to a prior notice to the note holders, to redeem the notes. (See "Other Case of Optional Redemption").

III.8. RISK RELATED TO THE AMOUNT OF DEBT THE ISSUER CAN ISSUE OR SECURE

There are no restrictions in the terms of the securities regarding the amount of debt that the Issuer may raise or guarantee. The Issuer and its subsidiaries and affiliates may raise additional debt or provide collateral relative to third parties' debt, including debt or collateral ranking *pari-passu*, or senior to the notes. The issuance of such securities or any other debt could reduce the recovery rate of a note holder in the case of liquidation of the Issuer for any reason and / or could increase the probability of a interest deferral on the notes.

III.9. RISK RELATED TO LIQUIDITY AND TRADABILITY

The notes are subject to a restriction on tradability on the secondary market (see "Notes tradability"), which could reduce the liquidity of the notes compared to other notes which are not subject to restrictions.

DISCLAIMER

The aforementioned information is only a part of the information given in the prospectus approved by the Moroccan Capital Market Authority (AMMC) under the reference n° VI/EM/006/2018 on April 23th,2018.
The AMMC recommends reading the full prospectus made available to the public in French.

Exhibit II-9

Toute l'expertise d'une **banque d'affaires**

Our business lines

Corporate finance
Asset management
Securities brokerage
On-line Securities Brokerage
Private equity
- Presentation
- The teams
- Our Activities

Insurance Brokerage
Analysis and Research

Presentation

UPLINE ALTERNATIVE INVESTMENTS
Upline Alternative Investments is a 100% subsidiary of Upline Group, specialized in managing private equity funds throughout its four (4) affiliated companies, with commitments totaling up to 7.5 billion dirhams.

UPLINE INVESTMENTS

Private Equity Company dedicated to manage 4 diversified generalist funds (Moussahama I, Moussahama II, Upline Investment Fund and OCP Innovation Fund for Agriculture), with total subscription commitments amounting to 1 billion dirhams.

UPLINE MULTI INVESTMENTS

Upline Multi Investments is managing the Banque Populaire Group's fund of funds, "Chaabi Capital Investment", with total subscription commitments amounting to 2 billion dirhams.

UPLINE REAL ESTATE INVESTMENTS

Tourism and real estate fund Management Company, with total subscription commitments amounting to 3.5 billion dirhams.

UPLINE INFRASTRUCTURE INVESTMENTS

Infrastructure fund Management Company created to structure and manage the Upline Infrastructure Fund, originally aimed at a target size of 1.0 billion dirhams.

Inspired from the best international practices in terms of funds management, this organization meets investor's requirements by providing:

- Team specialization in order to develop sectorial skills ;
- Strict deontological rules to avoid any conflict of interests ;
- An alignment of investors interests with those of the management team through a carefully designed carried interest ;
- Support activities available for all the business units.

With multidisciplinary team composed of 6 top-tier collaborators managing many sector dedicated funds, that offer multiple yield/risk profiles, Upline Alternative Investments is a leading management company in the Moroccan Private Equity market.

Corporate finance
Asset management
Securities brokerage
On-line Securities Brokerage
Private equity
Insurance Brokerage
Analysis and Research

Exhibit II-10

Upline Group

Investment Banking

About us

Founded in 1992, Upline Group is a business bank that brings together and develops all investment-banking businesses of the Banque Populaire Group.

A benchmark stakeholder and preferred partner of large businesses and institutions, Upline Group has adapted its organisation along several business lines: Corporate finance, Asset management, Stock brokerage, Online tradung, Private equity and Insurance brokerage.

Building on its organisation into branches and subsidiaries that specialise by strategic activity, Upline Group has a large international network of private and institutional clients, both domestically and abroad.

Upline Group teams are business specialists who have high levels of expertise as well as solid knowledge of the financial market. That places the teams at the best international levels and standards. Each transaction is unique, so Upline Group adapts to the specific needs of each business and to its characteristics, in order to better respond to that business's expectations, always having quality as a watchword.

Website	http://www.uplinegroup.ma/
Industries	Investment Banking
Company size	51-200 employees
Headquarters	Casablanca
Type	Privately Held
Founded	1992

Locations

Primary

37 Bd, Abdellatif Ben Kaddour
Casablanca, MA
Get directions

Employees at Upline Group

Badr Belkadi
Executive Director M&A

Khaoula Ramdi
Investment Director at Upline Group

Ayman Berrada
Executive director at Upline Corporate Finance

Yahya Kadiri
Manager - M&A and Advisory at Upline Corporate Finance

See all employees

Similar pages

Exhibit II-11

PROSPECTUS

NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

OCP S.A.

(a joint stock company organised and existing under the laws of the Kingdom of Morocco)

U.S.$1,000,000,000 4.50% Notes due 2025

Issue Price: 98.765%

The U.S.$1,000,000,000 4.50% Notes due 2025 (the "**Notes**") to be issued by OCP S.A. (the "**Issuer**" or "**OCP**") will mature and be redeemed at their principal amount on 22 October 2025. The Notes will bear interest from, and including 22 April 2015 (the "**Issue Date**") at a rate of 4.50% per year and will be payable semi-annually in arrear on 22 April and 22 October in each year. The first payment of interest in respect of the Notes will be made on 22 October 2015. Payments on the Notes will be made in U.S. Dollars without deduction for or on account of any Moroccan withholding taxes unless the withholding is required by law, in which case the Issuer will pay additional amounts in respect of such taxes, subject to certain exceptions as set forth in "*Terms and Conditions of the Notes—Condition 8*" and "*Taxation*".

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 are not being offered and sold in the United States, or to, for the account of or for the benefit of, any U.S. persons, other than to qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Prospective purchasers that are QIBs are hereby notified that the seller of Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A (such Notes so offered and sold, the "**Rule 144A Notes**"). In addition, Notes are being offered outside the United States to persons other than U.S. persons as defined in and in reliance on Regulation S under the Securities Act ("**Regulation S**", and such Notes so offered and sold, the "**Regulation S Notes**"). Transfers of Notes are subject to the restrictions described under "*Transfer Restrictions*".

This prospectus (the "**Prospectus**") has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Notes to be admitted to the Official List (the "**Official List**") and trading on its regulated market. This Prospectus constitutes a prospectus for the purpose of the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Prospectus Regulations**") (which implement the Prospectus Directive in Ireland). Reference in this Prospectus to being listed (and all date references) shall mean that such Notes have been admitted to trading on the regulated market of the Irish Stock Exchange.

Investing in the Notes involves risks. Please see "Risk Factors" beginning on page 21.

The Notes will be offered and sold in registered form in minimum denominations of U.S.$200,000 and any amount in excess thereof that is an integral multiple of U.S.$1,000. The Regulation S Notes will initially be represented by beneficial interests in a unrestricted global certificate (the "**Unrestricted Global Certificate**") in registered form without interest coupons attached, which will be registered in the name of Citivic Nominees Ltd, as nominee for, and shall be deposited on or about the Issue Date with, Citibank Europe Plc, as common depositary for, and in respect of interests held through, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Beneficial interests in the Unrestricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. The Rule 144A Notes will initially be represented by a restricted global certificate (the "**Restricted Global Certificate**" and, together with the Unrestricted Global Certificate, the "**Global Certificates**") in registered form, without interest coupons attached, which will be deposited with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co., as nominee of, The Depository Trust Company ("**DTC**") on or about the Issue Date. Beneficial interests in the Restricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See "*Clearing and Settlement*". Except as described herein, definitive registered certificates evidencing holdings of Notes issued in exchange for beneficial interests in the Global Certificates will be available only in certain limited circumstances. See "*The Global Certificates—Registration of Title*".

The Notes are expected to be rated BBB− by Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and BBB− by Fitch Ratings Limited ("**Fitch**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating organisation. The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the "**CRA Regulation**") as having been issued by S&P and Fitch, respectively. Each of S&P and Fitch is established in the European Union (the "**EU**") and is registered under the CRA Regulation. As such, each of S&P and Fitch is included in the latest update of the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation as at the date of this Prospectus. Any change in the rating of the Notes could adversely affect the price that a purchaser will be willing to pay for the Notes. See "*Risk Factors—Risks Relating to the Notes—Credit ratings may not reflect all risks*".

Joint Lead Managers

Barclays **Morgan Stanley**

The date of this Prospectus is 20 April 2015.

Risks Relating to the Kingdom of Morocco

The Moroccan State, in its capacity as shareholder, may cause the Group to engage in business practices that may not be in the interests of the Noteholders.

The Moroccan State directly owns 94.12% of the Issuer. The Moroccan State has conferred on the Issuer a monopoly since 1920, at the time the Issuer was the *Office Chérifien des Phosphates*, and subsequently to the Issuer in 2008 (when the Issuer became a joint stock company), pursuant to the OCP Law, with respect to phosphates exploration and mining in Morocco, although the Moroccan State retains ownership of phosphate rock reserves in Morocco. The remaining interests in the Issuer are held by *Banque Centrale Populaire S.A.* ("**BCP**") (4.57%), *Société d'Aménagement et de Développement Vert* ("**SADV**") (0.88%) and Infra Maroc Capital (0.43%). BCP is a major Moroccan bank which is partially owned by the Issuer (4.2%). SADV is wholly-owned by the Issuer. Infra Maroc Capital is wholly-owned by BCP.

The rights of the Moroccan State as a majority shareholder of the Issuer are contained in the Issuer's articles of association and the Issuer is managed in accordance with those articles and with the provisions of Law n°17-95 (as amended from time to time) relating to *sociétés anonymes*. The Moroccan State, as a majority shareholder of the Issuer, has the right to propose and approve the appointment of, and to remove, the members of the Issuer's Board of Directors (the "**Board of Directors**"). The Minister of the Interior, the Minister of Foreign Affairs and Cooperation, the Minister of Economy and Finance, the Secretary General to the Minister of Agriculture and Maritime Fishing, the Minister of Energy, Mines, Water and the Environment, the Minister of Industry, Trade, Investment and Digital Economy and the Deputy Minister to the Head of the Government Responsible for General Affairs and Governance are members of the Board of Directors. Accordingly, none of the Issuer's directors are independent directors. The Moroccan State may also influence the Issuer's results or financial condition through shareholder approval of the Issuer's capital-related matters and other policies. For example, dividend payments are subject to the approval of the General Meeting of shareholders on an annual basis. See "*Relationship with the Government—Dividends*".

As a result of all of the foregoing, the Moroccan State has the ability to control the operations of the Group. The Moroccan State may cause the Group to engage in business practices, including undertaking new or loss making activities, which could materially affect the Group's ability to operate on a commercial basis or in a way that is consistent with the best interests of the Noteholders. Should the Moroccan State choose or compel the Group to make commercially unfavourable decisions, this will have a material adverse effect on the Group's business, results of operations and financial condition.

Emerging markets such as Morocco are generally subject to greater risks than more developed markets.

Investments in securities of issuers located in emerging markets, such as Morocco, 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, a narrow export base, current account deficits, exchange capital controls and changes in the political, economic, social, legal and regulatory environment. Morocco's budget deficits and other weaknesses characteristic of emerging market economies make it susceptible to future adverse effects similar to those suffered by other emerging market countries. In any event, the market for securities bearing Moroccan risk, such as the Notes, could be affected negatively by events elsewhere, especially in emerging markets.

In addition, international investors' reactions to events occurring in one emerging market country or region sometimes appear to demonstrate a "contagion" effect, in which an entire region or class of investment is disfavoured by such investors. If such a "contagion" effect occurs, Morocco could be adversely affected by negative economic or financial developments in other emerging market countries. Morocco has been adversely affected by "contagion" effects in the past, including recent volatility in the Middle East and North Africa, as well as the recent global financial crisis and could be affected by similar effects in the future.

As a consequence, an investment in the Group carries risks that are not typically associated with investing in more mature markets. These risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Morocco, including elements of information provided in this Prospectus. Prospective investors should also note that emerging economies, such as Morocco's, are subject to rapid change and that the information set out in this Prospectus may become outdated relatively quickly. Accordingly, prospective investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, The following table sets forth the total interest-bearing loans, borrowings and leases of the Group as at the dates indicated.

	As at 31 December		
	2014	2013	2012
	(Dh millions)		
Current interest-bearing loans, borrowings and leases			
Sovereign-guaranteed bank loans	65	63	60
Current portion of long-term bank loans	3,543	2,477	2,340
Finance lease liabilities	332	275	110
Short Term borrowings	162	507	1,502
Accrued interest payable	315	120	128
Sub-total	**4,418**	**3,442**	**4,139**
Non current interest-bearings loans, borrowings and leases			
Sovereign guaranteed bank loans	642	724	774
Non current portion of long-term bank loans	15,487	13,192	8,891
Domestic bond issue	2,000	2,000	2,000
Senior unsecured bond issue	16,306		
Finance lease liabilities	1,155	1,290	945
Sub-total	**35,589**	**17,206**	**12,610**
Total borrowings	**40,007**	**20,648**	**16,749**

The following table sets forth certain rate and currency denomination information related to certain of the interest-bearing loans, borrowings and leases of the Group at the dates indicated.

	Interest Rate(s)	Weighted Average Interest Rate	As at 31 December		
			2014	2013	2012
	(%)	(%)	(Dh millions)		
Current interest-bearing loans and borrowings and leases					
Sovereign-guaranteed loans (*€—denominated*)	1.30 - 2.50	2.07	65	63	60
Bank loans (*U.S.$—denominated*)	1.94 - 4.15	3.52	322	6	6
Bank loans (*€—denominated*)	3.05 - 4.47	3.36	264	—	—
Bank loans (*Dh—denominated*)	4.70 - 6.07	4.93	2,957	2,471	2,334
Short-term borrowings (*Dh—denominated*)	—	—	162	507	1,502
Finance lease liabilities (*Dh—denominated*)	5.25 - 6.25	5.59	332	275	110
Accrued Interest payable	—	—	315	120	128
Sub-total	**—**	**—**	**4,418**	**3,442**	**4,139**
Non-current interest-bearing loans and borrowings and leases					
Sovereign-guaranteed loans (*€—denominated*)	1.30 - 2.50	2.22	642	724	774
Bank loans (*U.S.$—denominated*)	1.94 - 4.15	3.54	7,186	4,228	2,491
Bank loans (*€—denominated*)	3.05 - 4.47	3.36	2,244	2,568	2,703
Bank loans (*Dh—denominated*)	4.70 - 6.07	5.04	6,057	6,396	3,696
Finance lease liabilities (*Dh—denominated*)	5.25 - 5.75	5.57	1,155	1,291	945
Domestic bond issue	4.46	4.46	2,000	2,000	2,000
International bond issue (*U.S.$—denominated*)	5.62 - 6.88	6.03	16,306	—	—
Sub-total	**—**	**—**	**35,589**	**17,206**	**12,610**
Total	**—**	**—**	**40,007**	**20,648**	**16,749**

The following table sets forth the estimated scheduled payments of principal in respect of the Group's loans, borrowings and leases outstanding as at 31 December 2014:

Year Due	2015	2016	2017	2018	2019	2020	After 2020	After 2021	Total
Amount due *(Dh millions)*	4,418	4,035	3,578	4,847	1,711	1,299	1,276	18,844	40,007

Note 21.2 – Reconciliation of net debt accounts

The reconciliation with balance sheet items is shown below:

(In millions of dirhams)	31 December 2014	31 December 2013*	31 December 2012*
Current loans and financial debts	4,418	3,442	4,139
Non-current loans and financial debts	35,589	17,206	12,610
Gross financial debt	**40,007**	**20,648**	**16,749**
Financial assets for cash management	(4,767)	(4,627)	(18,142)
Cash and cash equivalents	(8,996)	(5,440)	(9,390)
Net financial debt	**26,244**	**10,581**	**(10,784)**
Pension and health insurance funds	3,389	8,377	10,830
Net debt	**29,633**	**18,959**	**46**

(*) Data adjusted to reflect the impacts of the application of IFRS 11.

Note 21.3 – Breakdown of financial debts by type

The table below shows the breakdown of the Group's financial debts by type:

(In millions of dirhams)	31 December 2014	31 December 2013*	31 December 2012*
Current financial debts			
Government credits	65	63	60
Long-term bank loans, portion due in less than one year	3,543	2,477	2,340
Finance leases, portion due in less than one year	332	275	110
Bank overdrafts	162	507	1,502
Accrued interest not yet due	315	120	128
Total current financial debts	**4,418**	**3,442**	**4,139**
Non-current financial debts			
Government credits	642	724	774
Long-term bank loans, portion due in more than one year	15,487	13,191	8,891
Bond issue	18,306	2,000	2,000
Finance leases, portion due in more than one year	1,155	1,290	945
Total non-current financial debts	**35,589**	**17,206**	**12,610**
Total financial debts	**40,007**	**20,648**	**16,749**

(*) Data adjusted to reflect the impacts of the application of IFRS 11.

Exhibit II-12

Our governance

Governance at OCP is fundamental to its organization and operation and is a long-term project of shared responsibility. It is both necessary for good management and a strategic tool. Governance includes procedures, rules, and structures that are implemented to ensure transparent operations and balanced power. Leveraging effective decision-making and management with all the Group's stakeholders, governance at OCP ensures not only compliance with regulations, but also the vitality of business projects, the Group's vision, and its ambitions.

Governance is based on values that underlie all the company's action: integrity, ethics, and transparency.

These principles also shape OCP's corporate culture: this is why all who belong to the Group feel great pride. OCP's administrative bodies apply these principles to all levels of the organization.

Our board of Directors

OCP conducts its operations in compliance with Moroccan law on limited liability companies. As such, OCP has a Board of Directors that determines the general orientations of the company's activities and oversees their implementation, subject to powers that are expressly reserved to the shareholders and in accordance with OCP's corporate purpose.

The members of the Board of Directors* are:

M. Mostafa Terrab	OCP Chairman and Chief Executive Officer

louafi	Interior Minister
Elalamy	Economy
M. Nasser Bourita	Minister of Foreign Affairs and International Cooperation
M. Lahcen Daoudi	Minister Delegate to the Head of Government in charge of General Affairs and Governance
M. Mohamed Benchaaboun	Minister of Economy and Finance
M. Aziz Rabbah	Minister of Energy, Mines and Sustainable Development
M. Mohammed Sadiki	General Secretary of the Ministry of Agriculture and Fisheries
Banque Centrale Populaire	Represented by its President and CEO

Composition as of 26/06/2018.

The Audit and Risk Committee

The Audit and Risk Committee is in charge of assisting the Board of Directors in its control operations and reviewing half-year and year-end results.
The Committee's main functions are:

- Assessing the adequacy of the Group's internal control operations and coordinating internal and external audit operations;
- Approving the annual internal audit program;
- Evaluating accounting principles and methods;
- Examining risks and evaluating the significance of such risks;
- Monitoring compliance with the recommendations made at previous Audit and Risk Committee meetings;

the Board of Directors improve internal control, risk management, and network
rmation security.

Members:

- Director of DEPP (Department of Public Enterprises and Privatization), Chairman
- Government Commissioner, Vice-Chairman
- BCP (Banque Centrale Populaire) representative
- CFO of OCP S.A, Secretary of the Committee.

Permanent participants:

- Internal and external OCP S.A. auditors
- Account auditors

Three committees support this governance:

Strategic Committee

The Strategic Committee focuses on OCP's medium- and long-term strategy. It is chaired by the CEO and composed of Managing Directors.

Management Committee

nagement Committee is in charge of validating the Group's medium- and long-term strategic planning decisions approved by the Strategic Committee.

Operational Committee

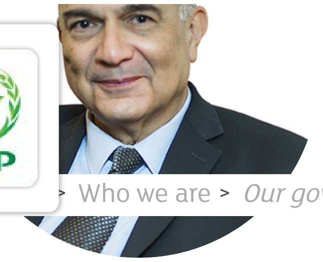
The Operational Committee is in charge of short-term decisions and operational coordination. It is made up of operational managers and is chaired on a rotating basis by an Executive Vice President.

Senior Management

OCP Group's Senior Management is structured on two levels: :

- Senior Management is made up of the CEO and the Managing Directors who administer the Group's long-term processing strategy, ensure cross-functional cohesion, and oversee the Executive Vice Presidents;
- Executive Vice Presidents are in charge of the operational management of the Group's main business lines/operations.

Organizational chart



Mostafa Terrab

Chairman & Chief Executive Officer

Faris Derrij

Chief Human Capital & Services Officer

Iliass Elfali

Chief Operating Officer

Soufiyane EL KASSI

Chief Growth Officer

Ghislane Guedira

Exhibit II-13

RESTRICTED

WT/TPR/S/329

7 December 2015

(15-6416)

Trade Policy Review Body

TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

KINGDOM OF MOROCCO

This report, prepared for the fifth Trade Policy Review of Morocco, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Morocco on its trade policies and practices.

Any technical questions arising from this report may be addressed to Jacques Degbelo (022 739 5583), Catherine Hennis-Pierre (022 739 5640) and Alya Belkhodja (022 739 5162).

Document WT/TPR/G/329 contains the policy statement submitted by Morocco.

Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on Morocco. This report was drafted in French.

4.3.2 Phosphates

4.58. In 2013, phosphates accounted for more than 90% of the total domestic mining output of 29 million tonnes. Since it began in 1921 phosphate exploitation has been a State monopoly managed by the Moroccan Phosphates Board (OCP). In 2008, the OCP was converted into a public limited company with the State holding 95% of the shares. The OCP, a State-trading enterprise (Section 3.3.1), is one of the world's leading exporters of crude phosphate, phosphoric acid and phosphate fertilizer.[24] Since 2009, the OCP group has been pursuing a commercial strategy aimed at regulating supply and demand and controlling the prices of phosphates and their byproducts. The objective is to raise Morocco's share of the world market from 21% to 40% for all products (crude phosphate, phosphoric acid and fertilizer) under a policy aimed at extracting greater value-added from phosphate rock. Moroccan fertilizer exports rose from 2.6 million tonnes in 2006 to more than 4.3 million tonnes in 2013.

4.59. Major investments are being made to develop phosphate processing and include the chemical complex of Jorf Lasfar (DH 40 billion), owned by the OCP, which is planning to build a group of integrated fertilizer plants and a sea-water desalination unit. The OCP is offering foreign investors a turnkey infrastructure with industrial units designed to produce phosphatic products on the spot. At the same time, the Safi Phosphate Hub project envisages the investment of DH 30 billion over a ten-year period. The OCP is also planning to expand extraction capacity by about 20 million tonnes, to reach 50 million tonnes per year by 2025, as well as to develop ore treatment by building four high-technology washing plants to provide a capacity of 44 million tonnes per year.

4.60. Improved logistics and transport infrastructure and a substantial reduction in costs are envisaged following the entry into service, in 2014, of the Khouribga-Jorf Lasfar pipeline (235 km), the extension of the port of Jorf Lasfar and the construction of the new phosphate port of Safi, which will eventually handle 14 million tonnes per year.

4.3.3 Other mineral products

4.61. Unlike phosphate rock, other mineral products and their processing and phosphate processing are accessible to private (including foreign) investment. To engage in non-phosphate mineral exploration and exploitation it is necessary to obtain exploration and exploitation permits. Exploration permits can be obtained from the MEMEE.

4.62. In 2015, a new Mining Code was adopted to replace the 1951 legislation.[25] The principal measures introduced by this law are as follows:

- extension of the scope of the mining legislation to include other mineral substances for industrial use, such as calcite, feldspar, magnesite, and perlite, with the exception of construction and civil engineering materials;
- introduction of the exploration permit offering mining enterprises the opportunity to operate within large-scale areas ranging from 100 to 2,400 km^2;
- a mining title to cover all the mineral products present, instead of a specified category, as is currently the case;
- creation of new permits for the exploitation of underground cavities for storing natural gas and for the exploitation of tips and spoil;
- extension of the period of validity of the mine exploitation permit and its renewal until reserves are exhausted; and
- requirement of an environmental impact assessment and an abandonment plan to protect the environment and ensure sustainable development.

[24] Viewed at: http://www.ocpgroup.ma/fr.
[25] Law No. 33-13 on mining, published in the OJ on 1 July 2015.

Exhibit II-14

ESG REPORT 2019

Working together
for sustainable
agriculture

REPORT IN GRI VERIFICATION PROGRESS

OCP

GRI 102-4 | GRI 102-7

Presence in Morocco

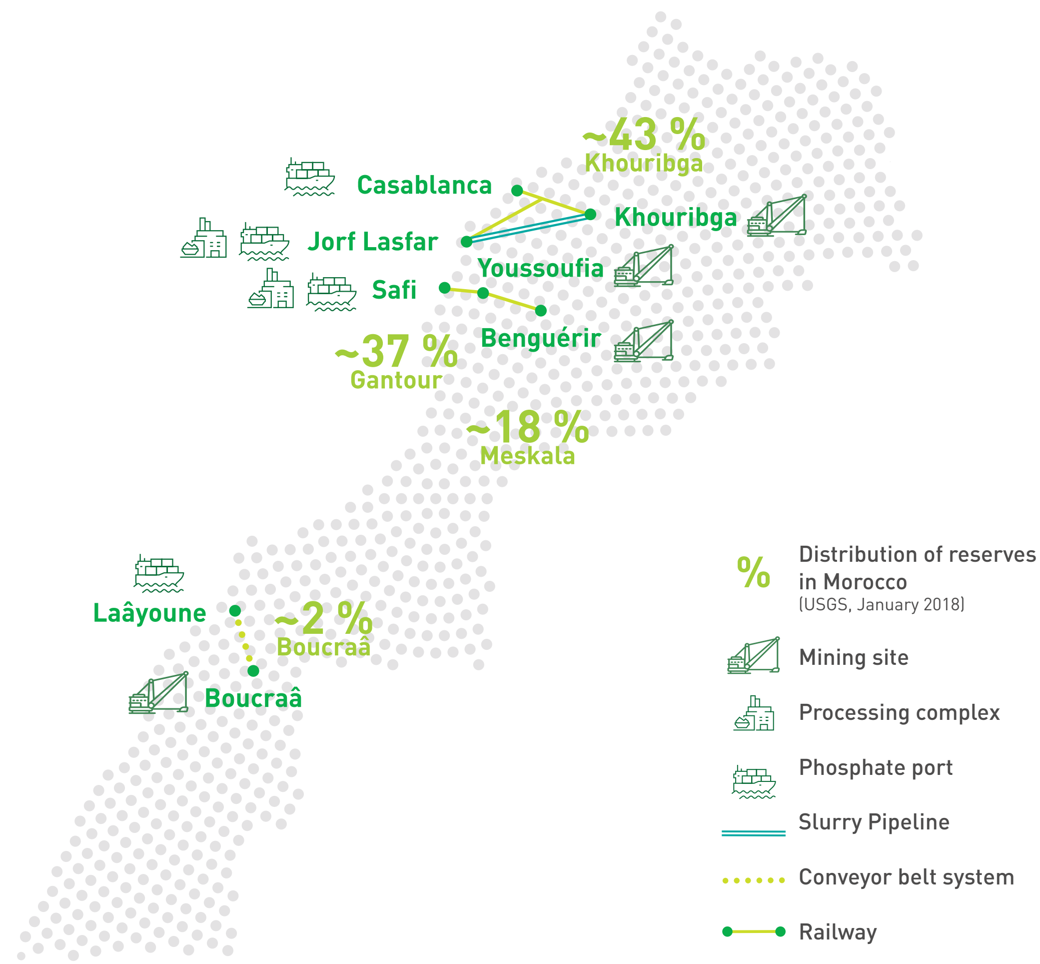
OCP mines at four sites in Khouribga (Sidi Daoui Merah El Ahrach, Sidi Chennane, and Béni Amir), three in Gantour (Benguerir, Bouchane, and Mzinda), and one in Bou Craa. Processing phosphate into phosphoric acid and phosphate-based fertilizers is mainly completed at the Jorf Lasfar and Safi sites. A major industrial development project for Phosboucraa is also underway for the 2014–2022 period to improve industrial activities at the BouCraa site, diversify the product portfolio, develop the regional business ecosystem, and contribute to the socioeconomic development of the southern regions: Guelmim-Oued Noun, Laâyoune-Sakia El Hamra, and Dakhla-Oued Ed Dahab.

An **integrated group** across the entire value chain

4 mining sites

2 processing platforms

4 phosphate ports



GRI 103-2

MANAGEMENT OF OTHER RAW MATERIALS

For several years, OCP has been working on operational excellence projects that have made it possible to reduce and optimize the consumption of raw materials in order to make its processes more efficient and reduce processing costs.

Growth-generating projects for the consumption of key inputs are ongoing in 2019, including for sulfur and ammonia with annual consumption of these amounting to millions of metric tons. These initiatives have made it possible to decouple production growth from raw materials consumption.

The operational excellence unit was strengthened in 2019 with additional human and financial resources to anchor the approach into the company's organization.

OUR GOALS

Phosphogypsum storage by 2023

> First OCP phosphogypsum stack by 2023

Ongoing

First Phosphogypsum Moroccan Road

> A first phosphogypsum road on the national grid in collaboration with the Ministry of Equipment, Transport, Logistics and Water

Ongoing

Phosphogypsum for Agriculture

> Implement a first demonstration pilot station in Jorf Lasfar for PG reuse in 2019

Achieved

> Soil amendment & fertilization tests using phosphogypsum in collaboration with the National Institute of Agricultural Research and UM6P.

Ongoing

> Realize salinity maps for different Moroccan regions in collaboration with the National Institute of Agricultural Research. Beyond the 4 regions already mapped, OCP is expanding its mapping scope to other regions.

Achieved

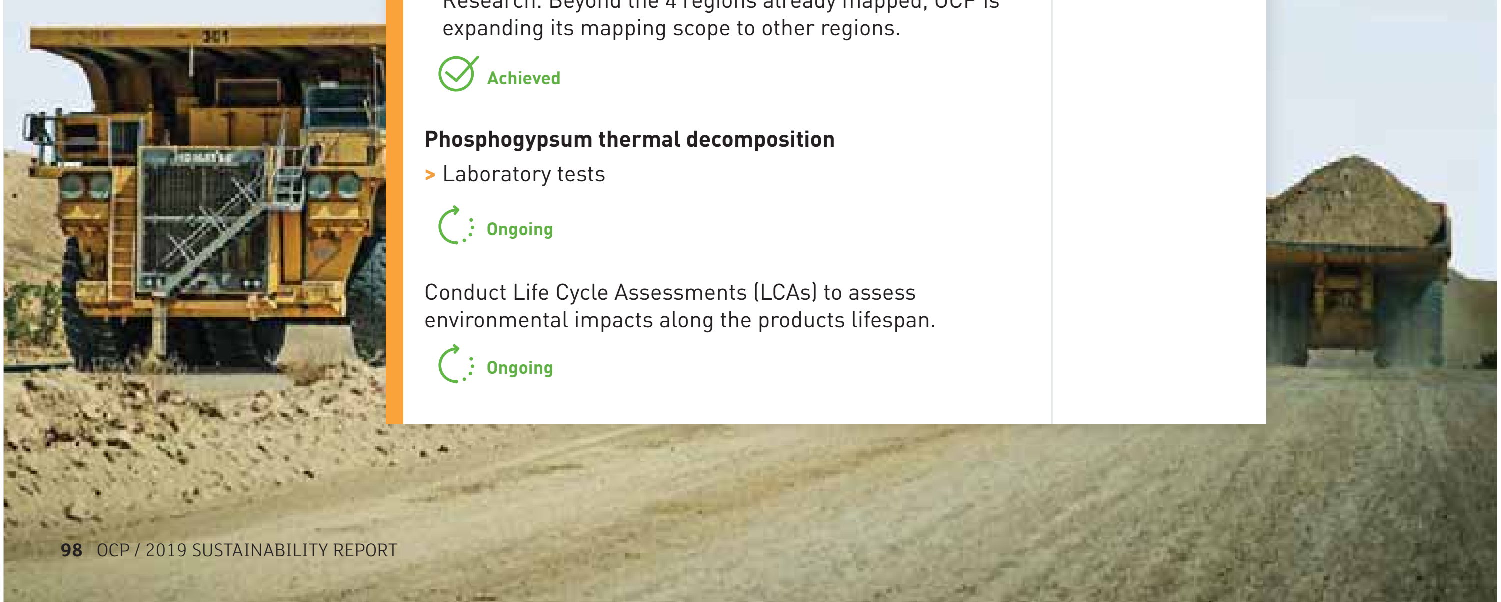
Phosphogypsum thermal decomposition

> Laboratory tests

Ongoing

Conduct Life Cycle Assessments (LCAs) to assess environmental impacts along the products lifespan.

Ongoing



GRI 103-1 | GRI 103-2 | GRI 103-3

Effluents management

Water scarcity and quality are challenges OCP is working very hard to mitigate, and effluents play a key role. Effluent is defined as any liquid discharge resulting from an industrial process (including the liquid leaving an effluent treatment station), which is then discharged into a natural environment in the public domain. OCP industrial sites located on the maritime coast (Safi, Jorf Lasfar and Laâyoune) are concerned by this type of effluent discharged into the Atlantic Ocean. The other sites (Khouribga & Gantour) do not have industrial liquid effluents.
OCP's industrial effluents mainly consist of:

- Cooling seawater
- Sea water for phosphogypsum removal
- Water from the phosphate laundromat (only in Laâyoune)

Our management relies on complementary prevention and remediation measures we are continuously strengthening :

- Systematic monitoring of effluent quality (by internal resources and a third party)
- All internal laboratories for measuring liquid effluents are accredited, according to the international standard ISO 17025
- All chemical stocks have retention basins for collection and recycling in the event of an accidental spill
- Observation and monitoring by third parties are periodically carried out to characterize the quality of the receiving environments (such as : sea - groundwater)
- Environmental assessment studies of the impact on flora and fauna are also periodically carried out by specialized, leading international organizations expert in this area.
- There is a continuous process of initiating and implementing actions to improve environmental performance, especially: EMS certified ISO14001 version 2015, as well as numerous environmental assessment studies that are regularly carried out.

On-site cutting edge technologies

A major improvement at the Jorf Lasfar site is the development of submarine outfalls fitted with diffusers, at their downstream ends, which allows for a better dispersion of liquid effluents resulting in a very significant impact reduction.

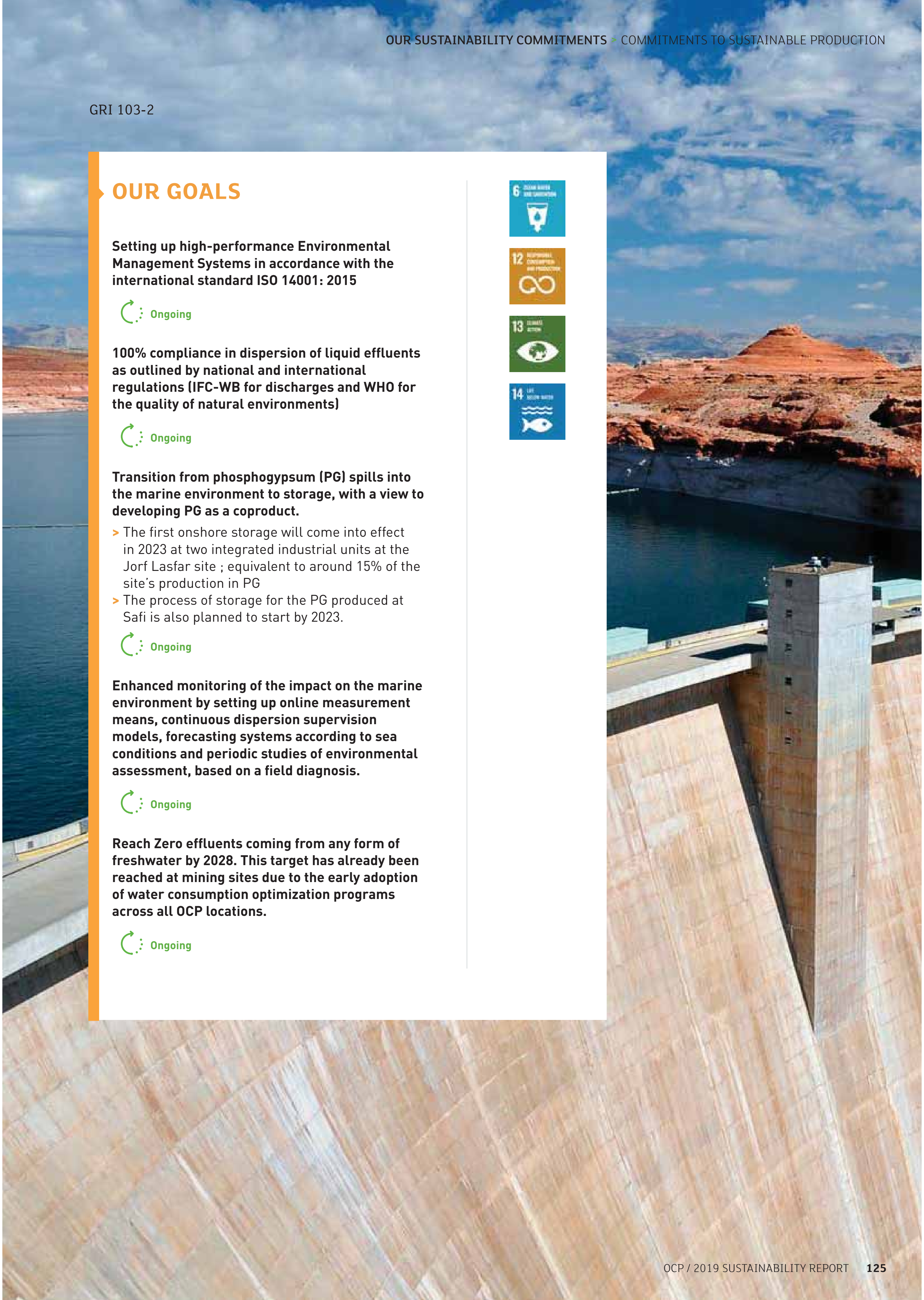
These emissaries are a world first in terms of design in how the treated effluent is transported, prior to its release. A unique pipeline, comprising a hydraulic system that allows for a management of the levels of dilution; with a length of up to approximately 3 km. They were produced in partnership with leading international specialists in the marine field. This project, on which we invested around 1.2 billion dirhams, made it possible to obtain seawater quality around the emissary in accordance with internationally recognized standards.

In-depth study on marine biodiversity

In order to track both the direct and indirect impacts of our activities and precisely measure the efficiency of our solutions, we have designed in 2019 a in-depth study of the impacts of OCP's processing sites effluents on marine environment – to be achieved by mid-2021. The main goals are to:

- Confirm the positive impacts following the investments made by OCP
- Assess the ecological impact on the sea
- Validate the compliance with international legislation
- Update the biodiversity situation of the two coastal areas (Safi & Jorf Lasfar)
- Identify new avenues and recommendations for environmental improvement.

Check out our policies & standards



GRI 103-2

OUR GOALS

Setting up high-performance Environmental Management Systems in accordance with the international standard ISO 14001: 2015

Ongoing

100% compliance in dispersion of liquid effluents as outlined by national and international regulations (IFC-WB for discharges and WHO for the quality of natural environments)

Ongoing

Transition from phosphogypsum (PG) spills into the marine environment to storage, with a view to developing PG as a coproduct.

- The first onshore storage will come into effect in 2023 at two integrated industrial units at the Jorf Lasfar site ; equivalent to around 15% of the site's production in PG
- The process of storage for the PG produced at Safi is also planned to start by 2023.

Ongoing

Enhanced monitoring of the impact on the marine environment by setting up online measurement means, continuous dispersion supervision models, forecasting systems according to sea conditions and periodic studies of environmental assessment, based on a field diagnosis.

Ongoing

Reach Zero effluents coming from any form of freshwater by 2028. This target has already been reached at mining sites due to the early adoption of water consumption optimization programs across all OCP locations.

Ongoing

Exhibit II-15

#SWITCHTODIGITAL

2017 ANNUAL REPORT

OCP GROUP

OCP

Contents

OCP,
a committed Group

A Group committed to developing global agriculture

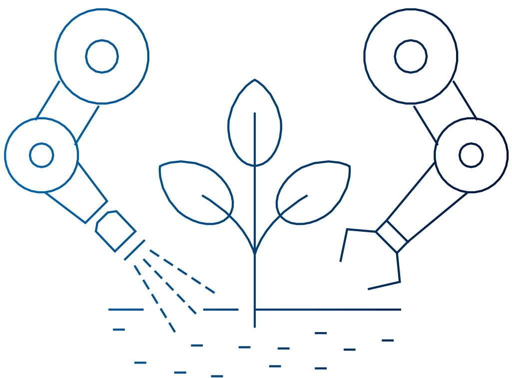
Fully committed, OCP Group offers a wide range of fertilizers adapted to different soil types and crops, which contribute to feeding a growing world population. Committed to serving agriculture around the world in the best possible way with a stronger presence in Africa, OCP places innovation at the heart of its strategy to support and foster progress for sustainable and resilient agriculture.

Vertical integration, cost control, diversification of the product portfolio toward high value-added fertilizers, industrial flexibility, commercial agility, and a transition to digital technology well under way: all these essential assets enable sustainable growth and create value for all stakeholders and regions where our Group operates.

With over 160 clients and an international presence, OCP Group holds 31% of the global market share of phosphate in all its forms and consolidates strong positions in the global market in terms of capacity and profitability.

One of the Group's strategic priorities is to continue to optimize its product portfolio, in particular by developing higher value-added, premium products to allow greater geographical diversification and gain access to growing markets, such as Africa. With the first wave of the Group's investment program delivered in 2017, the completion of many projects by 2027 will transform the Group's activities and consolidate OCP's leadership in the global fertilizer market.

> "OCP Group is entering the second wave of its capacity expansion plan and continues to develop its range of premium products specifically tailored to its markets."
>
> *Mostafa Terrab, Chairman & CEO*



14%

Consolidated revenues of MAD 48.5 billion, up 14% compared to the previous year, with a solid performance across all segments.

31%

Of the global phosphate market share*. Strengthened positions increasing production capacity throughout the value chain and diversifying the portfolio toward high value-added products, while maintaining margin levels among the highest in the sector.

50%

The Group's positioning will enable it to secure 50% of the incremental demand in the fertilizer market through targeted investments.

*In all its forms - IFA, 2017 preliminary statistics.

Strong resilience and consolidated positions

The Group's growth and resilience through the cycles are underpinned by its competitive advantages and the ambitious investment program in OCP's upstream and downstream activities between 2008 and 2027.

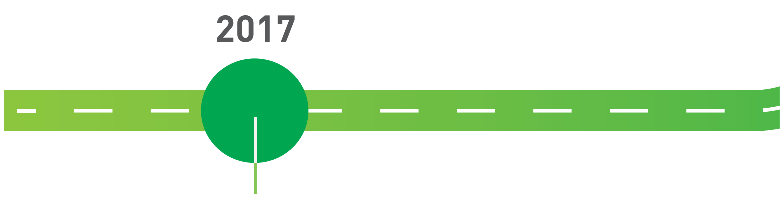
OCP has a unique position in the industry through a strong presence in the three stages of the value chain: phosphate rock, phosphoric acid and phosphate fertilizers. The ability to quickly adapt its product mix to produce different volumes of ore, acid, and fertilizers, and to adapt to market volatility and seasonality is a strong competitive advantage.

Diversification of the product/region/client portfolio, strengthening of industrial capacities, and the Group's sales force result in maximum agility and flexibility and reaffirm the Group's leadership.

Our ambition

Doubling mining capacity and tripling processing capacity

The first wave of achievements reinforces our vision and our confidence in the future, which is open to even greater development.



Strengthened capacities with the commissioning of the third JFC III fertilizer production unit in 2017 and the launch of the fourth one planned for 2018.

> The ability to quickly adapt its product mix to produce different volumes of ore, phosphoric acid and fertilizers, and to adapt to market volatility and seasonality is a strong competitive advantage for our Group.

Consolidated revenues
48.5 billion MAD

EBITDA margin
26%

Nearly **200** billion MAD
in CAPEX (2008-2027)

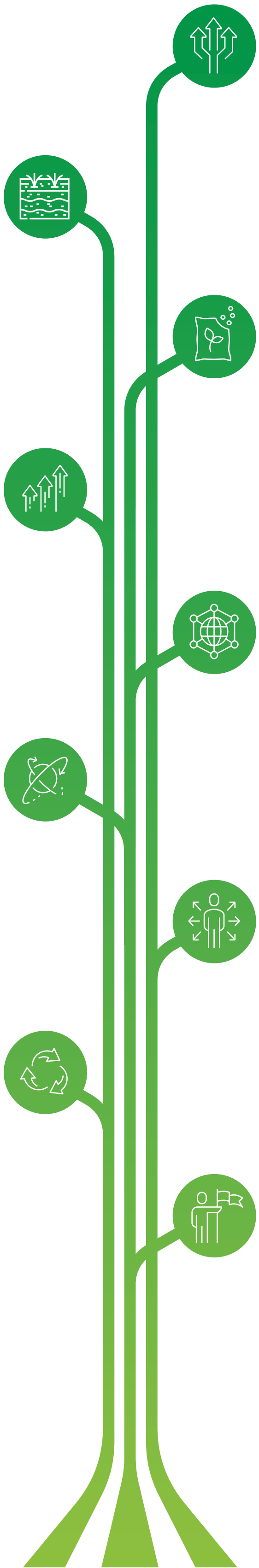
More than **160** clients
across 5 continents

More than **30** subsidiaries
and joint ventures

Major achievements by 2027

The agricultural industry's sound fundamentals and an ambitious and progressive investment program of nearly 200 billion dirhams between 2008 and 2027 offer prospects for value creation and controlled growth.

Fundamental assets



A diversified portfolio

Strong positions in phosphate rock, phosphoric acid, and fertilizers. OCP plans to double its mining capacity and triple its processing capacity to 12 Mt by 2018, positioning the Group as a leader in all three segments of the value chain.

High quality reserves

The Group has one of the world's largest portfolios of varied and high-quality resources and reserves of up to 50 billion metric tons, representing more than 71%* of global reserves.

Premium products

The Group continues to develop innovative finished products to meet the needs of farmers with the production and export of more than 40 formulas in 2017.

Vertical integration

OCP is integrated throughout the value chain and has cutting edge industrial and technological facilities. This vertical integration enables industrial flexibility and the ability to adapt the product mix to meet demand levels in the three segments: rock, phosphoric acid, and fertilizers.

Global reach

Thanks to its well-established industrial and commercial presence, the Group is present in all major markets and closer to the needs of producers and farmers, with more than 160 clients around the world.

Industrial flexibility & commercial agility

This flexibility allows the Group to gear its production as well as sales to higher value-added products. OCP is therefore developing business models that are better adapted to the specific needs of certain regions, such as Africa where the Group, through its dedicated subsidiary, OCP Africa, is expanding its presence in the downstream value chain.

Expertise & know-how

With nearly a century of expertise, OCP's employees constitute a pool of talent with technical and very specialized expertise in all areas related to mining and processing activities.

An optimal cost structure

A unique positioning procuring greater competitive benefits. The combination of an optimal cost structure, a diversified product portfolio, and a global presence serve to strengthen the Group's leadership.

Governance

OCP's goal is to become the industry leader, ensuring long-term performance and acting in a responsible manner. Effective and transparent governance principles are essential to ensure stakeholders' confidence.

* Known to date according to the U.S. Geological Survey, January 2018.

Appropriate responses to the planet's major challenges

01 Population growth

The world's population has quickly grown to over 7 billion people and will exceed 10 billion by 2050*. Feeding a growing world population is one of the main challenges facing the world. However, this challenge is compounded by the threat of climate change, an increasing shortage of water, reduced arable land, etc. In this context, the Group works every day to improve soil fertility by using appropriate fertilizers and helping farmers increase their yields. A fair balance between better crop productivity and social and environmental objectives is now a prerequisite for a lasting response to global demand.

02 Price volatility

Sustained population growth during the next decades will increase demand for food. Climate change and the degradation of natural resources will hamper supply in terms of average production and production volatility. Upward pressure on prices could be the main problem for global food markets. Given these challenges, the use of better tailored and more effective fertilizers, while implementing management tools and precision agriculture, should help to reduce dosages, and, therefore, costs, and improve productivity while minimizing the environmental impact.

03 Soil productivity

Intensive farming has a direct impact on soil fertility. Soil erosion and the loss of topsoil lowers soil nutrient content and contributes directly to reducing crop yields. In this context, only the reasoned use of fertilizers, based on the principle of proper nutrient dosage, or the right fertilizer at the right place and time, can improve soil fertility and make it possible to attain productivity, profitability, and sustainability goals and maintain a productive natural environment. Another major challenge is the demand for agricultural water in most countries that is set to increase to over 70% of current levels if land productivity and water use are not improved.

04 Change in consumer habits

The demand for food will continue to increase not only due to population growth, but also to rising incomes and changing eating habits in relatively more prosperous economies, with increased consumption of meat, meat derivatives, and dairy products.

05 Development of bioenergy

Combating climate change is spurring research for new sources of renewable energy that emit less greenhouse gases. Demand for biomass energy is increasing and its use for non-food purposes is creating tensions regarding the environmental impact associated with their use. The development of bioenergy leads to changes in soil use and has an impact on fertilizer demand.

06 Climate change

Climate change increases pressure on the agricultural production system. There is a stark increase in the frequency and intensity of droughts and floods in certain regions of the world. This has an impact on the extent and productivity of irrigated and non-irrigated crops, and, in turn, on food prices and price volatility.

*Source : FAO

Key Figures

PHOSPHATE ROCK

Production

32.8 Mt*

Exports

11.1 Mt

Market share**

37%

PHOSPHORIC ACID

Production

5.7 Mt (P_2O_5)

Exports

1.9 Mt (P_2O_5)

Market share**

47%

PHOSPHATE FERTILIZERS

Production

8.6 Mt

Exports

8.1 Mt

Market share**

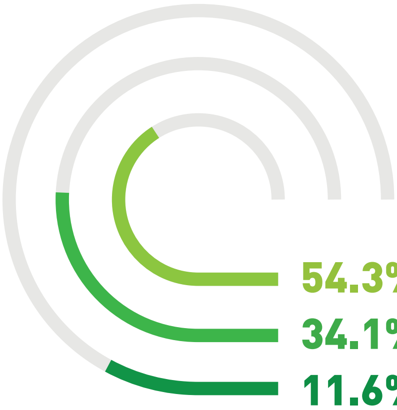
22%

Organic growth and a strong performance across all three segments.

* Million metric tons

** IFA 2017, Preliminary statistics (excluding purified and technical grade acid from China)

20,450
EMPLOYEES



EMPLOYEE BREAKDOWN
BY CATEGORY

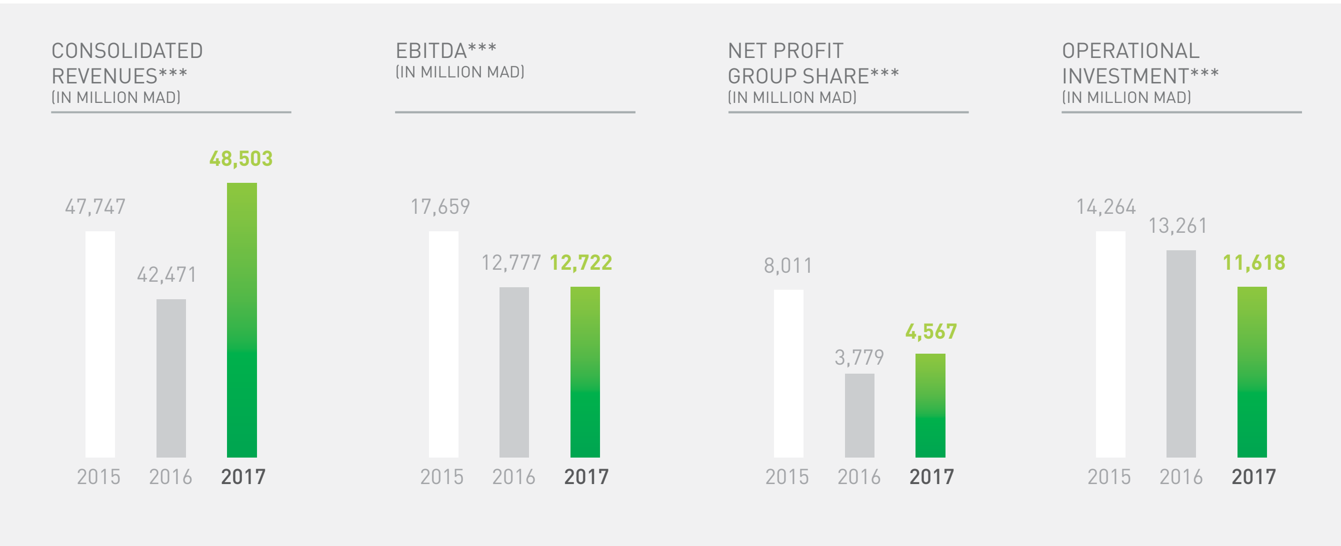
54.3% Industrial Laborers and Office Workers

34.1% Technicians, Line Managers & Administrative Staff

11.6% Middle and Senior Management

Revenues
have increased by nearly **50%**
for exports to Africa.

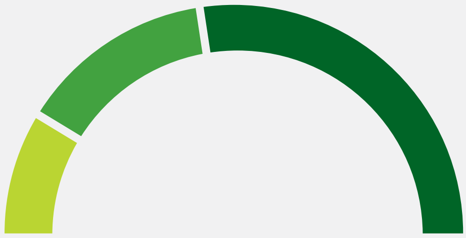
48,503 BILLION MAD
CONSOLIDATED REVENUES***



*** IFRS-based figures.

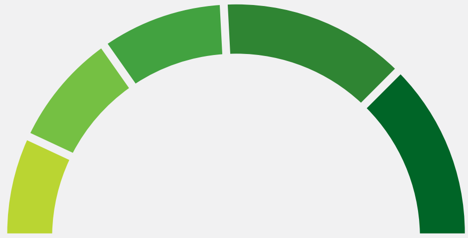
EXPORT REVENUES BREAKDOWN*

BY PRODUCT



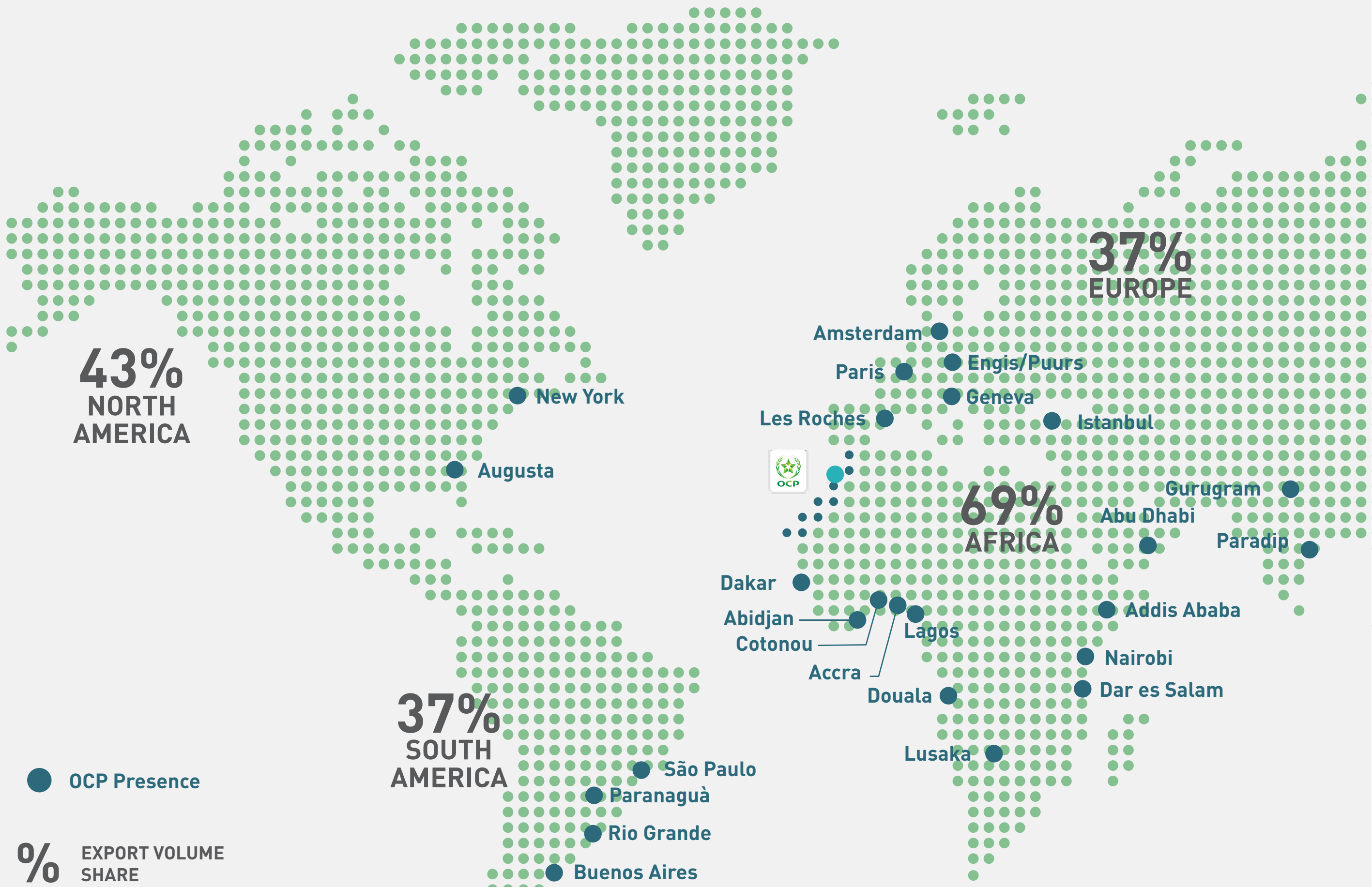
- 19% Phosphate rock
- 24% Phosphoric acid
- 57% Phosphate fertilizers

BY REGION



- 15% Africa
- 16% North America
- 17% Latin America
- 27% Europe
- 25% Asia/Oceania

GLOBAL REACH



Source: IFA 2017, preliminary statistics.

- Based on P_2O_5 trade volumes including rock, phosphoric acid, and DAP/MAP TSP - excluding NPK.
- The Africa market share includes NPKs.

*FY2017 revenues - non consolidated FOB exports.

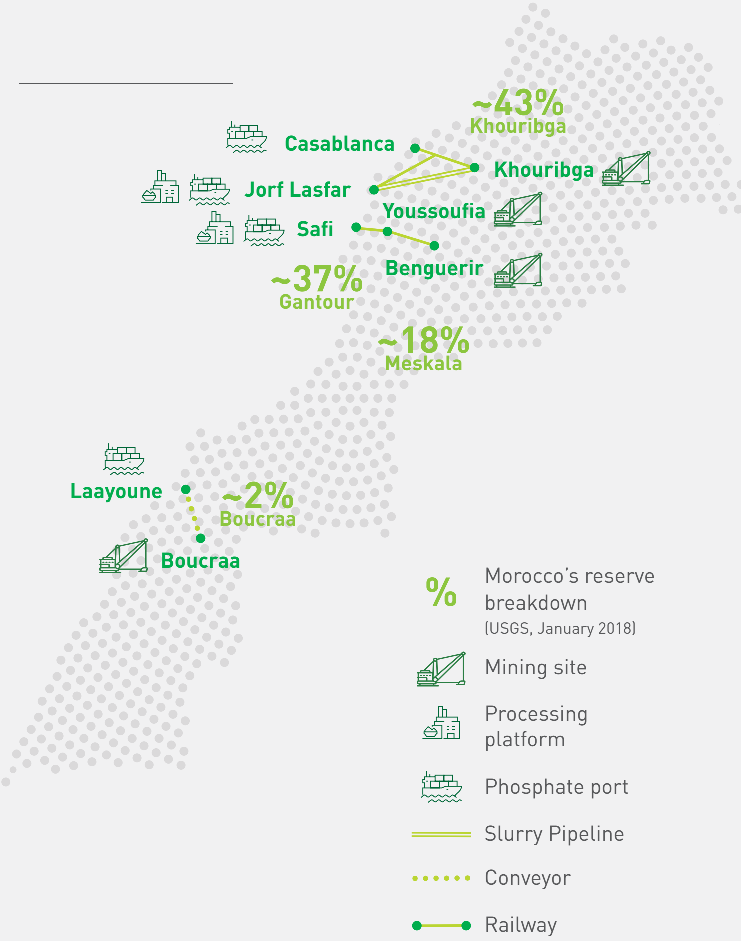
PRESENCE IN MOROCCO

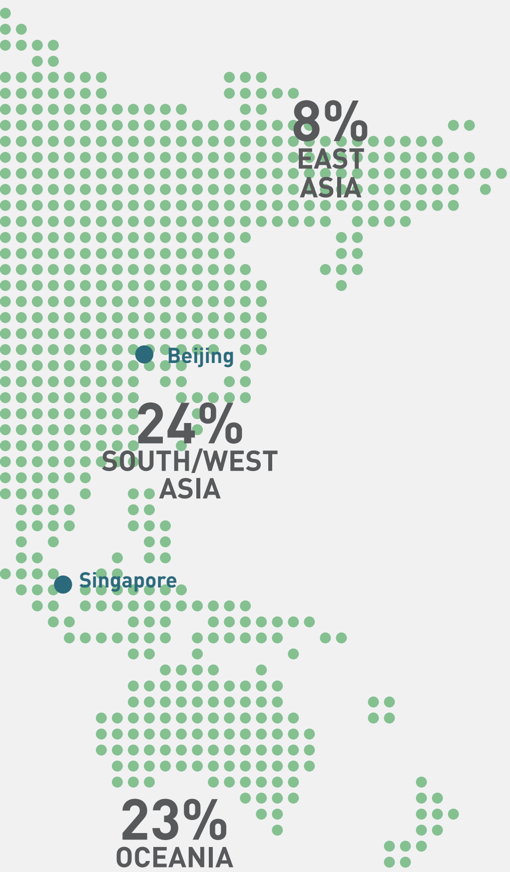
An **integrated group** throughout the value chain

4 mining sites

2 processing sites

4 phosphate ports





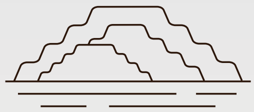
OCP further strengthened its **finished products'** positioning in 2017 while increasing its presence, particularly in **Africa**, **North America**, and **Latin America**.

The Group's **industrial flexibility** and **commercial agility** underpin the increasingly diversified product and region portfolios.

Overview of the industrial program for 2008 - 2027

In 2017, the Group continued to implement its industrial transformation plan. Launched in 2008, this strategy will mobilize a total of nearly MAD 200 billion of investment, and aims, from rock extraction to its transport and processing into fertilizer, to promote sustainable agriculture by doubling the Group's mining capacity and tripling its processing capacity by 2027, while reducing its environmental footprint.
A number of flagship projects were commissioned in 2017, and ongoing development projects progressed according to plan.

MINING & BENEFICIATION



KHOURIBGA – JORF LASFAR

- 2 new mines
- 2 new washing plants
- Adaptation of two existing washing plants to the Slurry Pipeline
- 1 new downstream plant for drying of phosphate rock at Jorf Lasfar (export)
- Extension of existing mines and washing plants

GANTOUR – SAFI

- Increased mining capacity in Gantour
- Construction of new beneficiation units in Gantour
- Adaptation of the Youssoufia washing plant to the Slurry Pipeline

BOUCRAA – LAAYOUNE

- New storage and handling capacities
- New washing plant with integrated flotation unit
- New drying plant dedicated to exports

DOUBLING OF CAPACITIES

TRANSPORT & UTILITIES

- Slurry Pipeline of 38 Mt per year capacity

- Slurry Pipeline
- Phosphoric acid pipeline

INCREASED INDUSTRIAL EFFICIENCY

PROCESSING

- 4 new integrated fertilizer production units (1 Mt DAP each) including Africa Fertilizer Complex
- 2 new granulation units (0.85 Mt DAP each)
- 4 new sulfuric acid lines
- 3 new phosphoric acid lines (JFC eq.)
- 4 new granulation units (1 Mt DAP each)

- New sulfuric acid and phosphoric acid lines on the Gantour - Safi axis
- Construction of new granulation (fertilizer) lines near the new port of Safi

- New processing complex
- New fertilizer plant (1 Mt DAP equivalent)

TRIPLING OF FERTILIZER CAPACITIES

PORT INFRASTRUCTURE

- New docks 1.5 km in length
- Rehabilitation and deepening of existing docks
- Installation of new loading/unloading equipment

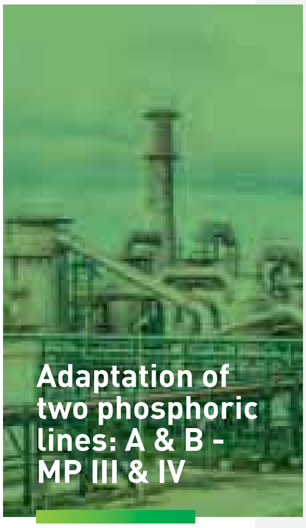
- Construction of new docks with 8 loading berths
- Installation of new loading/unloading equipment

- New port adapted to processing operations

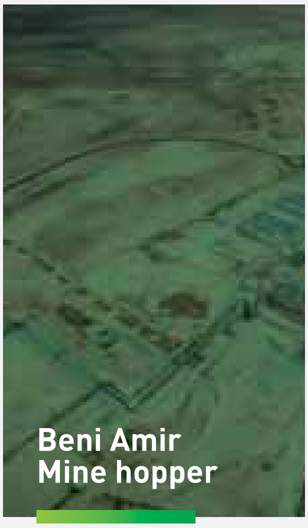
ENHANCEMENT OF LOGISTICS CAPACITIES

Industrial program - 2017 key achievements

CAPACITY
1 Mt/year



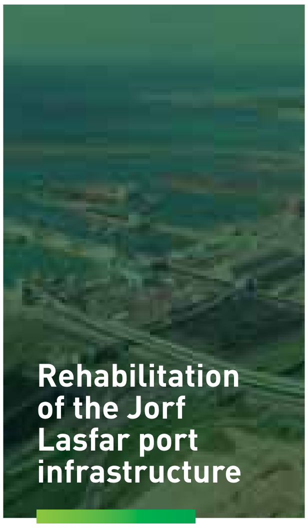
CAPACITY
0.5 Mt/year



CAPACITY
5.5 Mt/year

CAPACITY
10.5 Mt/year

CAPACITY
125 kt/year

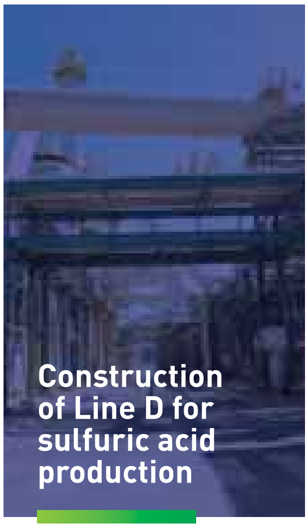


CAPACITY
37 Mt/year

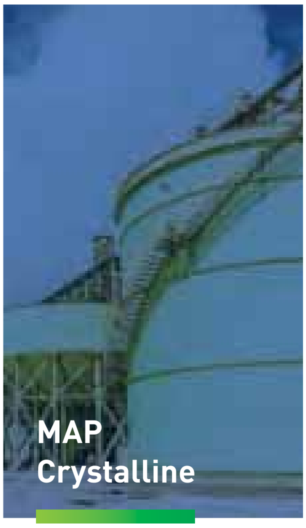
Industrial projects planned for 2018

CAPACITY
1 Mt/year

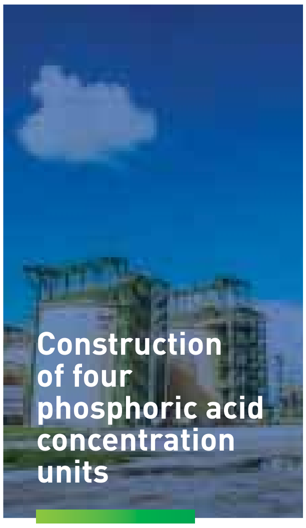
CAPACITY
3 Mt/year



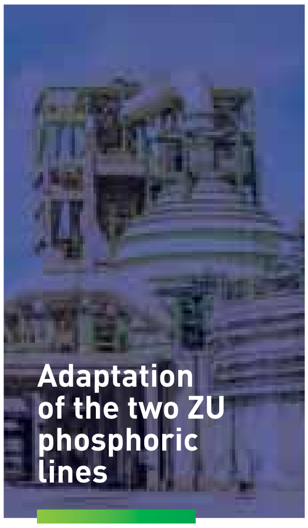
CAPACITY
1.5 mt/year



CAPACITY
100 kt/year



CAPACITY
72 kt/year



CAPACITY
0.5 Mt/year

CAPACITY
37 Mt/year

Exhibit II-16

Morocco’s Fertilizer Industry Receives $3 bln Investment Boost

Saturday, 25 November, 2017 - 09:45

Heavy machinery is seen at a phosphate mine at Boucraa factory of the National Moroccan phosphate company (OCP) situated in the southern provinces, 100 km southwest of the town of Laayoune February 18, 2016. REUTERS/Youssef Boudlal

Casablanca - Lahssen Moqana

Amin Qaph, director of the Fertilizer Industrial Complex in Jorf Lasfar (south of Casablanca) announced on Friday of officially operating the fourth production unit this upcoming January.

He said that the new factory is the fourth of its kind established by Morocco since 2014, with a production capacity of about one million tons per plant.

During the media tour of the facilities, Qaph added that the four factories will increase the total production capacity of Morocco to 12 million tons.

"During the second phase, we plan to build six new plants to raise our total production capacity to 18 million tons in 2025," he added.

He pointed out to the investment plan exceeding $3 billion.

The fertilizer industrial square (Jorf Lasfar) is located on an area of 1,800 hectares, which later on can see further expansion.

It is supplied with phosphates through a pipeline extending from Khouribga mines in the center of the country, some 187 kilometers away.

The complex takes advantage of the geographical slope of the Jorf Lasfar site compared to the Khouribga mines site.

"Prior to 2014, we used to transport phosphates through trains," says Qaph.

“The operation was very expensive. But with these new industrial units, using trains is not efficient due to the new size of production.”

“Consequentially, we invested in a phosphate transport pipe.”

The large industrial complex is located 2 km from the port of Jorf Lasfar. It is linked to the export berths of the port through rubber bands for the transport of fertilizers.

As Morocco moves to raise its production capacity to 18 million tons, its consumption needs are limited to 500,000 tons—an equation which eventually boosts the kingdom's export capacity, Qaph explained.

"We can easily adapt to all demands, both in size and quality, as we can now produce over 40 kinds of fertilizers," he said.

The first unit within the new generation of plants, which started operating in 2015, was tasked with solely supplying African markets, which are characterized by strong growth in demand for fertilizers.

Qaph said that the Moroccan fertilizer industry has mapped out demand in African partner countries and will attend it wherever it's found.

"We have launched a plan to map fertility in African partner countries, as we did in Morocco," he said.

He explained that the map of fertility has covered all Moroccan soil and can be accessed through an electronic database of the OCP Group.

One of the leading exporters of phosphate mining in Morocco, the OCP Group is found mainly in 4 mining sites and two chemical complexes.

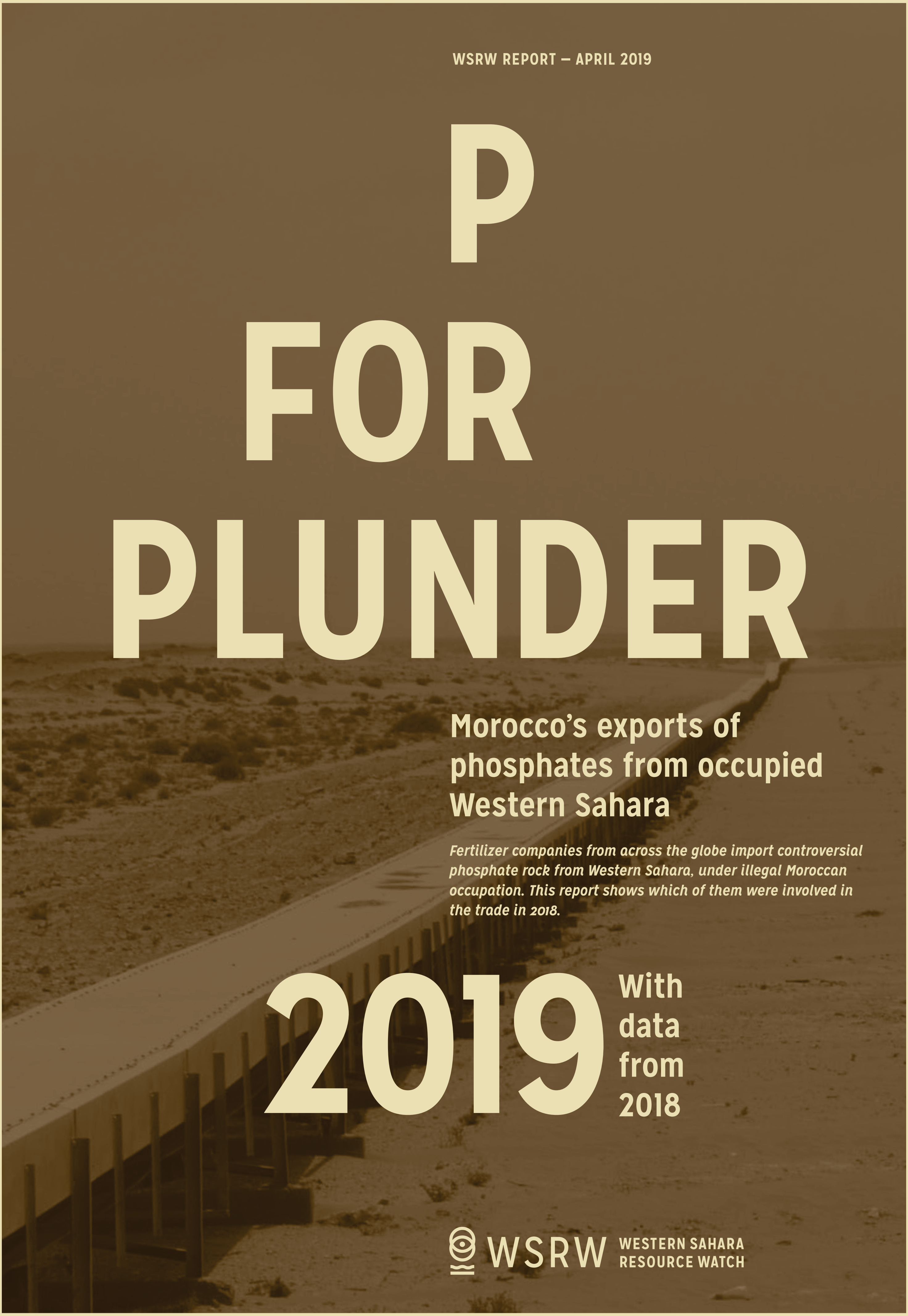
"Any land slot on Morocco's drafted map includes detailed data which can be used to match the type of agriculture the investor intends to use," Qaph said.

Related News

Banks in Sudan to Introduce Visa Payment Systems (/english/home/article/2161101/banks-sudan-introduce-visa-payment-systems)
(/english/home/article/2161101/banks-sudan-introduce-visa-payment-systems)

Exhibit II-17

WSRW REPORT – APRIL 2019



P FOR PLUNDER

Morocco's exports of phosphates from occupied Western Sahara

Fertilizer companies from across the globe import controversial phosphate rock from Western Sahara, under illegal Moroccan occupation. This report shows which of them were involved in the trade in 2018.

2019 With data from 2018

WSRW WESTERN SAHARA RESOURCE WATCH

At the end of 2018, the Canadian company Nutrien stopped importing the conflict mineral from the Bou Craa mine in occupied Western Sahara. This marked the end of decades of imports into North America from the territory. The North American imports have constituted around 50% of the production in Bou Craa.

Executive Summary

All life on the planet, and so all agricultural production, depends on phosphorus, P. The element is found in phosphate rock and turned into fertilizers. For the people of Western Sahara, their P does not grow into benefits. It's rather the opposite.

For the sixth time, Western Sahara Resource Watch publishes a detailed, annual overview of the companies involved in the purchase of phosphates from occupied Western Sahara. The illegally exploited phosphate rock is one of the Moroccan government's main sources of income from the territory it holds contrary to international law. Representatives of the Saharawi people have been consistently outspoken against the trade, both in the UN, generally, and to specific companies.

The list we present in this report is complete for calendar year 2018, naming all shipments of phosphates from occupied Western Sahara. The imports of Morocco's production in Western Sahara in 2018 are attributed to six companies from four countries internationally, while approximately 72 companies worldwide have been identified as owning or operating the vessels that have transported the phosphate rock to the importers.

A remarkable development of 2018 was the end of phosphate rock exports to North America by the close of the calendar year. The North American imports, which have been ongoing since the 1980s, constituted almost 50% of the trade in 2018. The year also saw two new clients emerge, one in India and one in China. Interestingly, the importer to North America, Nutrien, is the second biggest owner of Sinofert Holdings – the new player in China. Since vessels transporting Western Saharan phosphate were detained in Panama and Cape Town in 2017, not a single shipment has gone via Cape of Good Hope or through the Panama Canal.

This report details a total exported volume from Western Sahara in 2018 of 1.93 million tonnes, with an estimated value at $163.88 million, shipped in 33 bulk vessels. That constitutes an increase in exports since 2017, the report shows. The largest importer in 2018 was Nutrien Ltd. from Canada. The operator most heavily involved is Ultrabulk A/S from Denmark, accounting for 6 of the 33 shipments in 2018.

Of the six remaining importers at the end of 2018, three are registered on international stock exchanges, two are farmer owned cooperatives in New Zealand and one is partially owned by the Government of India.

WSRW calls on all companies involved in the trade to immediately halt all purchases and all shipments of Western Sahara phosphates until a solution to the conflict has been found. Investors are requested to engage or divest unless action is taken.

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Front page
The world's largest conveyor belt transports phosphate rock from Bou Craa mines to the coast.

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The report can be freely reused in print or online. For comments or questions on this report contact coordinator@wsrw.org

Western Sahara Resource Watch (WSRW) is an international organization based in Brussels. WSRW, a wholly independent non-governmental organization, works in solidarity with the people of Western Sahara, researching and campaigning against Morocco's resource plundering of the territory.

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List of abbreviations

DWT	*Deadweight tonnage*
OCP	*Office Chérifien des Phosphates SA*
UN	*United Nations*
US $	*United States Dollar*

The Controversy

A Saharawi in the occupied territories is asking New Zealand farmers to wake up. The Pacific nation is one of very few countries remaining that imports.

Morocco's claim to sovereignty over Western Sahara is not recognised by any state, nor by the UN. Its arguments to claim the territory were rejected by the International Court of Justice.[1]

The UN Legal Office has analysed the legality of petroleum exploration and exploitation in Western Sahara, a resource extraction activity – one now in exploration stages – that is of a similar nature to phosphate mining. The UN concluded that "if further exploration and exploitation activities were to proceed in disregard of the interests and wishes of the people of Western Sahara, they would be in violation of the international law principles applicable to mineral resource activities in Non-Self-Governing Territories."[2]

Yet, only weeks after the 1975 invasion of the territory, the phosphorus of the Bou Craa mine in Western Sahara was being exported to fertilizer companies in North America, Latin America, Europe and Australasia. The Bou Craa mine is managed by the Office Chérifien des Phosphates SA (OCP), now known simply as OCP SA, Morocco's national phosphate company and today responsible for that country's biggest source of income from Western Sahara.

Phosphates de Boucraa S.A. (Phosboucraa) is a fully owned subsidiary of OCP. Its main activities are the extraction, beneficiation, transportation and marketing of phosphate ore of the Bou Craa mine, including operation of a loading dock and treatment plant located on the Atlantic coast at El Aaiun. OCP puts production capacity in Western Sahara at 2.6 million tonnes annually.[3] Though OCP claims that Bou Craa mines represent only 1% of all phosphate reserves exploited by Morocco[4], no less than a quarter of its exported phosphate rock departs from El Aaiun.[5] The exceptionally high quality of Western Sahara's phosphate ore makes it a much coveted commodity for producers of fertilizers.

However, that tale could be coming to an end. The Bou Craa phosphate deposit consists of two layers. Until 2014, only the first, top layer had been mined. This particular layer contained phosphate rock of the highest quality across all reserves controlled by OCP. In 2014, Bou Craa phosphate mining moved on to the second layer, which is of lower quality.[6] Morocco has sold all of the high quality phosphate that ought to have been available to the Saharawi people upon realizing their right to self-determination.

OCP claims that Phosboucraa is the largest private employer in the area, with around 2,100 employees[7] – more than half of those are said to be locally recruited. It also alleges that Phosboucraa is a major provider of economic viability and well-being of the region's inhabitants. OCP equally boasts the social impact of Phosboucraa, in terms of providing pensions to retirees, medical and social advantages to employees, retirees and their families, etc.[8] OCP presents the purported economic and social benefits as a justification for its exploitation of phosphate mines outside of Morocco's long-settled, internationally recognized borders.[9]

Morocco uses the Bou Craa phosphates for its political lobby-work to gain the support of other countries for its illegal occupation. An official Moroccan government document leaked in 2014 literally states that Western Sahara's resources, including phosphate, should be used "to implicate Russia in activities in the Sahara". The document goes on to say that "in return, Russia could guarantee a freeze on the Sahara file within the UN."[10]

"Western Sahara has been under Moroccan occupation since 1975 and is on the United Nations' list of non-self-governing territories that should be decolonised. The UN's legal counsel stated in January 2002 that exploration of mineral resources in Western Sahara without local consent would be in breach of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights."

Swedish government pension fund, AP-Fonden, upon exclusion of PotashCorp and Incitec Pivot from its portfolios.[11]

"Agrium's purchase of phosphates from Western Sahara by means of a long-term contract with OCP constitutes an unacceptable risk of complicity in the violation of fundamental ethical norms, and thereby contravenes KLP's guidelines for responsible investment."

Norwegian insurance company KLP regarding its divestments from Agrium Inc.[12]

"The company's exploitation of phosphates in Western Sahara is considered to violate the UN Charter article 73, the Hague Convention article 55, the Corell Opinion and therefore also UNGP principle 12 and OECD MND Article 4"

MP Pension, Denmark. Decision to exclude OCP from investment universe, 17 January 2019.[13]

"Operations in occupied territory (Western Sahara)"

Fonds de Compensation commun au régime général de pension, Luxembourg, 23 November 2018, in reference to all involved phosphates companies.[14]

"Nutrien is excluded for breaches of international norms through its continued sourcing of phosphate rock from occupied Western Sahara, without the consent of the Sahwari people."

Nykredit Realkredit Group, Denmark, explaining its exclusion of Nutrien, April 2018.[15]

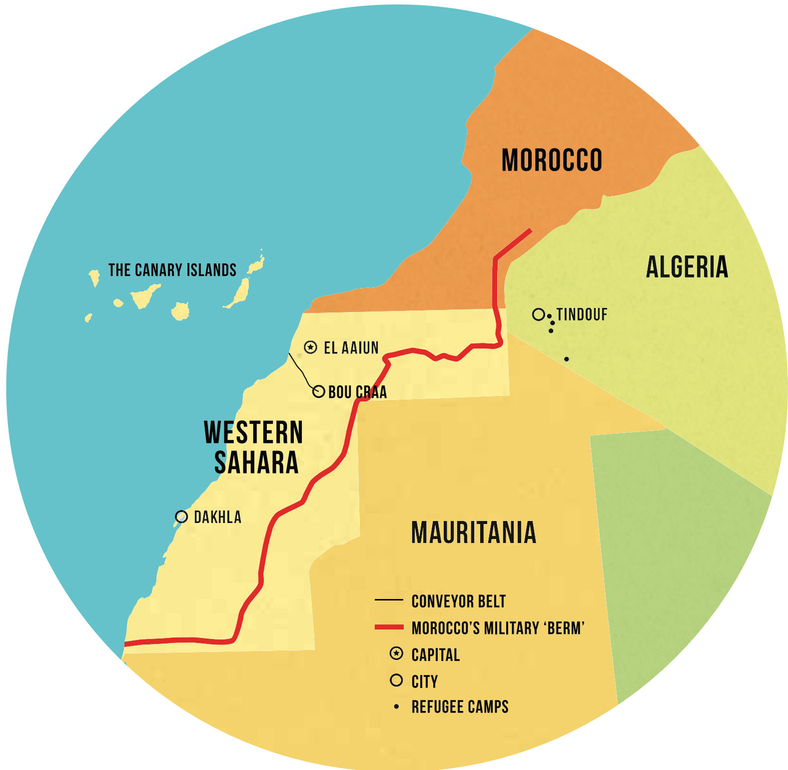
"Human rights violations in Western Sahara"

PGB Pensioenfonds, the Netherlands, third quarter of 2015, upon excluding OCP SA from its portfolios.[16]

"The Council does not believe that the company has been able to show that the business is consistent with the interests and wishes of the local population. Based on an assessment that further dialogue will not be productive, the Council has recommended that the AP Funds divest Agrium."

Swedish Ethical Council, 9 April 2015, explaining why all Swedish government funds have now divested from Agrium Inc.[17]

The Moroccan take-over of Bou Craa mine



1947: Western Sahara's phosphate reserves are discovered 130 kilometres southeast of El Aaiun in a place called Bou Craa. The discovery of phosphate reserves is the first potential source of mineral revenues for the colonial power, Spain.[18]

July 1962: The Empresa Nacional Minera del Sahara is founded in order to operate the mine, which is owned by a Spanish public industrial sector company.

May 1968: The company is renamed Fosfatos de Bucraa, S.A., also known as Phosboucraa or Fos Bucraa.

1972: Spain starts to operate the mine. Many Spaniards find employment in the mines, as did the Saharawis; the native population of the Spanish Sahara, as the territory is known at the time.

1975: Mounting international pressure to decolonise forces Spain to come up with a withdrawal strategy from Spanish Sahara. A UN mission that was sent to Spanish Sahara in view of an expected referendum predicts that Western Sahara could very well become the world's second largest exporter of phosphates, after Morocco. Maintaining a claim to the phosphate deposits is a key consideration for the colonial power. Failing to decolonise Western Sahara properly, by allowing the people of the territory to exercise their right to self-determination, Spain strikes a deal; through the Madrid Accords. It illegally transfers administration over the territory to Morocco and Mauritania, while retaining a 35% share of the Bou Craa mine. No state in the world, the UN, nor the people of Western Sahara, recognises the transfer of authority from Spain to the two states. Mauritania withdraws in 1979, admitting it had been wrong to claim and to occupy the territory. At the same time in 1975, recouping his authority after two failed coups d'état, Morocco's King Hassan II orders the Moroccan army to invade Western Sahara. The King may have hoped that this would give Morocco as much leverage to determine world phosphate prices as OPEC has over oil prices.[19]

1 January 1976: The Madrid Accords come into effect and after a transition period of 16 months OCP would take over the management of the mines.[20]

2002: Spain sells its 35% ownership of Bou Craa.

2014: OCP files for public subscription on the Irish Stock Exchange an inaugural bond issue of US $1.55 billion.[21] It files a similar debt financing prospectus on the Exchange a year later.[22]

2019: Morocco continues to operate the mine in occupied Western Sahara. The average exports over the last years have generated an annual income of around US $200 million from a mine which is not theirs.

The world's longest conveyor belt transports the rock from the mine inland out to the sea. Continental and Siemens are key partners for this belt. The Siemens windmills, built in 2013, provide all energy needed for the belt system.

Large plans

An investment and development program worth USD 2.45 billion has been set up by OCP across all its operations for the period of 2012-2030. In that timeframe, the program will aim to modernize the Bou Craa mine, exploit deeper phosphate layers, create higher added-value products for export, increase the El Aaiun harbour capacity for phosphate activities and expand the social and sustainable development projects in the Bou Craa area.[23]

OCP states that, as part of its long-term investment program, financing of industrial development is planned, such as mining investments (worth around USD 250 million) that will include the building of a flotation/washing unit and upgrading of extraction equipment, as well as new infrastructure to extract lower phosphate layers.[24]

On 7 November 2015, exactly 40 years after Morocco's invasion of Western Sahara, OCP announced it would invest USD 1.9 billion in Phosboucraa. The stated main objective is to develop Phosboucraa's industrial capacity, in particular by installing a fertilizer production plant. In addition the logistic capacity of Phosboucraa is apparently to be reinforced.[25] As of 2019, construction work is reported to be taking place

Peak P

Phosphate is a vital component of the fertilizers upon which much of the global food production and food security depends. For some time, there has been concern about the world population's reliance on a finite supply of phosphorus, and the implications of this for agricultural productivity, food prices and nutrition, particularly in developing countries. The term "peak phosphorus" has joined the concept of "peak oil" in the lexicon of 21st century scarcity. There are no substitutes for phosphorus in agriculture.

Morocco, with or without Western Sahara, controls the world's biggest phosphate reserves and is the second largest producer of phosphates in the world.[26]

The increasing global need for phosphate rock and fertilizers was a contributing factor in the oddly fluctuating market price of the commodity in 2008. As global food demand and food prices have increased, there has been an added demand for phosphate. The world price of phosphate rock globally fluctuated from 70 to 92.5 USD/tonne throughout the year. In this report, the average price of phosphate in 2018 is calculated at an average of USD 85/tonne.

Exhibit II-18

CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2019

Contents

Key figures

(In millions of dirhams)	Note	FY2019	FY2018
Revenue	4.1.1.2	**54,092**	**55,906**
Profit (loss) from joint ventures	6.1	360	399
EBITDA		**15,333**	**17,076**
Operating profit (loss) before exceptional items		7,866	11,256
Cost of net financial debt	10.1.5	(1,511)	(1,567)
Net profit (loss) Group share		**2,843**	**5,425**
Consolidated equity Group share		77,191	78,859
Net financial debt		45,499	35,193
Net operating investments		13,964	10,801
Basic and diluted earnings per share (in dirhams)	12.4	**29.56**	**62.04**
Dividend per share (in dirhams)	12.3	**40.73**	**30.17**

Significant events of the period

Impact of the first application of IFRS 16 for OCP Group

Since 1st January 2019, the Group is appling IFRS 16 «Leases» using the «simplified retrospective» method: the cumulative effects of the first application were insignificant and therefore had no impact on opening equity at January 1st, 2019.
In addition, the 2018 data, presented for comparative purposes, has not been adjusted.
With the application of this new standard, OCP Group now accounts for all of its leases in the Balance sheet, except for contracts within 12 months of the end of the year or for contracts of value unitary new to less than $ 5,000. (see Note1-1.1-A)

Events after the reporting period

Creation of a national hotel center of excellence

To support the development of a sector with high growth potential and employement for the Moroccan economy, OCP Group, ONCF and the Hassan II Fund annouced an alliance in the high-end hotel sector to create a reference player. This pole will include historic hotel assets from Morocco, owned and developed so far by ONCF: Mamounia in Marrakech, Palais Jamai in Fez, and Michlifen in Ifrane as well as Marchica Lagoon Resort in Nador, recently opened..

The structuring of this alliance is currently underway. The new partnership scheme will be published in 2020.

OCP contribution to the fight against the Covid-19 pandemic

In order to alleviate the impact of the coronavirus on the national economy, Morocco has decreed, following Royal instructions, the establishment of a special fund to face the COVID-19 pandemic.
In a sense of patriotism and solidarity approach and as a leading national player, OCP Group has granted MAD 3 billion to this fund, thus strengthening the common citizen effort of a number of companies and other contributors .
It should be noted that the health crisis related to COVID-19 doesn't jeopardize the continuity of the OCP Group's activity.

Consolidated Statement of Profit and Loss

(In millions of dirhams)	*Note*	*FY2019*	*FY2018*
Revenue	**4.1.1.2**	**54,092**	**55,906**
Production held as inventory		1,901	1,728
Purchases consumed	4.2.2	(21,768)	(22,398)
External expenses	4.2.2	(9,738)	(9,780)
Personnel expenses	5.1	(9,213)	(8,481)
Taxes		(319)	(288)
Profit (loss) from joint ventures	6.1	360	399
Exchange gains and losses on operating receivables and payables		(68)	(60)
Other operating income and expenses		86	49
EBITDA		**15,333**	**17,076**
Amortization, depreciation and operating provisions	8.4/9.2	(7,467)	(5,820)
Operating profit (loss) before exceptional items		**7,866**	**11,256**
Other nonrecurring operating income and expenses	7.2	(1,504)	(1,250)
Operating profit (loss)		**6,362**	**10,006**
Cost of gross financial debt		(1,988)	(1,865)
Financial income from cash investments		477	299
Cost of net financial debt	**10.1.5**	**(1,511)**	**(1,567)**
Exchange gains and losses on financial receivables and payables	10.2.3	50	(412)
Other financial income and expenses	10.2.3	(161)	(1,325)
Financial profit (loss)		**(1,622)**	**(3,304)**
Profit (loss) before tax		**4,741**	**6,702**
Corporate income tax	11.2/11.3	(1,725)	(1,100)
Net profit (loss) for the period		**3,016**	**5,602**
Net profit (loss) Group share		2,843	5,425
Net profit (loss) Noncontrolling interests		173	178
Basic and diluted earnings per share in dirhams	12.4	**29.56**	**62.04**

Consolidated Statement of Comprehensive Income

(In millions of dirhams)	*FY2019*	*FY2018*
Net profit (loss) for the period	**3,016**	**5,602**
Actuarial gains or losses	(711)	(377)
Taxes	143	71
Financial assets at fair value by OCI		(521)
Items that will not be reclassified to profit or loss	**(568)**	**(827)**
Translation differences	(37)	(13)
Share of gains and losses recognized in equity (CFH variation)*	(55)	(321)
Taxes**	12	68
Share of gains and losses recognized in equity on joint ventures		13
Items that may be reclassified to profit or loss	**(80)**	**(253)**
Income and expenses for the period, recognized directly in equity	**(647)**	**(1,080)**
Consolidated comprehensive income	**2,368**	**4,522**
Including Group share	*2,195*	*4,344*
Including noncontrolling interests' share	*173*	*178*

(*) Changes in fair value of cash flow hedges are recognized in equity for the effective portion of the hedge. Accumulated gains and losses in equity are reported in the income statement when the hedged cash flow impacts the result.

(**) Tax effects related to changes in the fair value of cash flow hedging instruments (effective portion) and hedging costs.

Consolidated Statement of Financial Position

(In millions of dirhams)	*Note*	*31 December 2019*	*31 December 2018*
ASSETS			
Current assets			
Cash and cash equivalents	10.1.3.1	13,487	17,141
Cash financial assets		573	5,654
Inventories	4.2.4.2	14,996	13,213
Trade receivables	4.1.2.2	8,142	10,279
Other current assets	7.3	15,124	9,383
Total current assets		**52,323**	**55,669**
Noncurrent assets			
Noncurrent financial assets	10.2.2	1,020	872
Investments in equity-accounted companies	6.1	3,882	3,802
Deferred tax assets	11.4	79	16
Property, plant and equipment	8.2	108,464	101,589
Intangible assets	8.3	1,095	510
Total noncurrent assets		**114,540**	**106,788**
Total Assets		**166,864**	**162,458**

(In millions of dirhams)	Note	31 December 2019	31 December 2018
LIABILITIES			
Current liabilities			
Current loans and financial debts		7,267	7,123
Current provisions	9.3	353	328
Trade payables	4.2.5	15,010	12,230
Other current liabilities	7.4	6,383	5,257
Total current liabilities		**29,014**	**24,939**
Noncurrent liabilities			
Noncurrent loans and financial debts	10.1.2.1/10.1.2.2	52,292	50,864
Noncurrent provisions for employee benefits	9.3	5,380	4,616
Other noncurrent provisions	9.3	519	757
Deferred tax liabilities	11.4	1,031	993
Total noncurrent liabilities		**59,223**	**57,230**
Equity Group share			
Issued capital	12.1	8,288	8,288
Paidin capital		18,698	18,698
Consolidated reserves Group share		47,363	46,450
Net profit (loss) Group share		2,843	5,424
Equity Group share		**77,191**	**78,859**
Noncontrolling interests		1,436	1,430
Total equity		**78,627**	**80,290**
Total liabilities and equity		**166,864**	**162,458**

Consolidated Statement of Changes in Equity

(In millions of dirhams)	*Issued capital*	*Paid-in capital*	*Actuarial gains or losses*	*Hybrid securities*	*Other consolidated reserves*
Equity as at 31st December 2017	**8,288**	**18,698**	**(2,370)**	**4,817**	**38,613**
Allocation of profit (loss) FY2018					4,567
Consolidated comprehensive income for FY2018			**(306)**		
The issue of subordinated debts				5,000	
Subordinated debt's coupons				(328)	
Dividends paid					(2,478)
Others					(60)
Equity as at 31 December 2018	**8,288**	**18,698**	**(2,676)**	**9,489**	**40,642**
Change in accounting methods as at January 1st , 2019*					(72)
Equity as at 1st January 2019	**8,288**	**18,698**	**(2,676)**	**9,489**	**40,570**
Allocation of profit (loss) FY2019					5,425
Consolidated comprehensive income for FY2019			**(568)**		
Subordinated debt's coupons				(414)	
Dividends paid					(3,346)
Others					(31)
Equity as at 31 December 2019	**8,288**	**18,698**	**(3,244)**	**9,075**	**42,618**

(*) Change in accounting methods related to the first application of IFRIC 23 Interpretation «Uncertainty over Income Tax Treatments» as at January 1st, 2019.

Translation difference	Financial assets at fair value by OCI	Share of gains and losses recognized in equity (CFH variation)	Net profit (loss)	Total equity Group share	Noncontrolling interests	Total equity
(223)		**(9)**	**4,567**	**72,382**	**1,419**	**73,801**
			(4,567)			
(13)	**(521)**	**(240)**	**5,425**	**4,344**	**178**	**4,522**
				5,000		5,000
				(328)		(328)
				(2,478)	(170)	(2,648)
				(60)	4	(57)
(236)	**(521)**	**(250)**	**5,425**	**78,859**	**1,430**	**80,290**
				(72)		(72)
(236)	**(521)**	**(250)**	**5,425**	**78,787**	**1,430**	**80,218**
			(5,425)			
(37)		**(43)**	**2,843**	**2,195**	**173**	**2,368**
				(414)		(414)
				(3,346)	(170)	(3,516)
				(31)	2	(29)
(273)	**(521)**	**(293)**	**2,843**	**77,191**	**1,436**	**78,627**

Consolidated Statement of Cash Flows

(In millions of dirhams)	*Note*	*31 December 2019*	*31 December 2018*
EBITDA		**15,333**	**17,076**
Subsidies and donations		(1,140)	(797)
Other noncurrent operating income and expenses		(51)	(35)
Other noncurrent operating income and expenses prior period		(91)	(333)
Profit or loss of associates and joint ventures		(360)	(399)
Other movements		(652)	(136)
Funds from operations		**13,039**	**15,375**
Impact of the change in WRC:		**248**	**(6,820)**
Inventories		*(1,777)*	*(3,008)*
Trade receivables		*2,142*	*(4,291)*
Trade payables		*1,506*	*(416)*
Other current assets and liabilities		*(1,622)*	*895*
Taxes paid		(1,291)	(855)
Total net cash flows related to operating activities		**11,996**	**7,700**
Acquisitions of PP&E and intangible assets (1)		(13,964)	(10,801)
Disposals of PP&E and intangible assets		29	95
Net financial investments (2)		5,032	9,540
Impact of changes in scope			20
Acquisitions of financial assets		(373)	(441)
Disposal of financial assets			1
Dividends received		285	256
Total net cash flows related to investing activities		**(8,990)**	**(1,331)**
Loan issue		6,228	11,338
Loan repayement		(6,765)	(8,791)
Issue of hybrid securities			5,000
Hybrid securities coupons		(414)	(328)
Net financial interest payments		(2,199)	(2,176)
Dividends paid to Group shareholders	12.3	(3,346)	(2,478)
Dividends paid to minority shareholders		(170)	(170)
Total net cash flows related to financing activities		**(6,666)**	**2,395**
Impact of changes in exchange rates on cash and cash equivalents		(3)	(12)
Net increase/(decrease) in cash and cash equivalents		**(3,663)**	**8,752**
Opening cash and cash equivalents	10.1.3.1	17,140	8,388
Closing cash and cash equivalents	10.1.3.1	13,477	17,140
Change in net cash		**(3,663)**	**8,752**

(1) Acquisitions of PP&E and intangible assets are net of fixed assets liabilities for MAD 1,866 million for 2019 vs. MAD 1,289 million for 2018.

(2) The change in financial investments is mainly due to the change in term deposits with maturities of more than 3 months, which generated a positive cash flow of MAD 5 billion.

Note 1- Accounting rules and methods

1.1. BASES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with Opinion No. 5 of the Conseil National de la Comptabilité (CNC National Accounting Council) of 26 May 2005, and in compliance with the provisions of Article III, paragraph 2 of the circular of the «Autorité Marocaine du Marché des Capitaux -AMMC» entered into force on 1st April 2012, the consolidated financial statements of OCP Group are prepared in accordance with the standards and interpretations drawn up by the International Accounting Standards Board (IASB) and the IFRS Interpretation Committee respectively, and adopted by the European Union.

The reporting currency for the consolidated financial statements is the Moroccan dirham.

The consolidated financial statements of OCP Group on 31 December 2019 were approved by the Board of Directors on 17 March 2020.

The accounting principles and methods adopted for the preparation of the consolidated accounts of OCP Group as at 31 December 2019 are identical to those used for the preparation of the consolidated financial statements for the year ended 31 December 2018, with the exception of the evolution of the consolidated financial statements described hereafter, and the standards, amendments and interpretations adopted by the European Union applicable as from 1st January 2019.

1.2. STANDARDS AND INTERPRETATIONS APPLIED AT 1ST JANUARY 2019

The impacts from 1st January 2019 of applying IFRS 16 "Leases" and IFRIC 23 "Uncertainty over Income Tax Treatments" are described in sections A and B detailed below.

The other standards and interpretations mandatorily applicable from 1st January 2019 have no significant impact on OCP's consolidated financial statements at 1st January 2019. These are mainly:

- Amendments to IFRS 9 "Prepayment Features with Negative Compensation";
- Amendments to IAS 28 "Investments in Associates and Joint Ventures";
- Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement";
- Annual Improvements 2015-2017 cycle..

A. IFRS 16 « Leases »

On 1st January 2019, the Group applied IFRS 16 to leases in existence on the transition date according to the "simplified retrospective"approach. Therefore 2018 figures, presented for comparison purposes, have not been adjusted in accordance with the transitional provisions of IFRS 16.

IFRS 16 "Leases" results in major changes in the way that lessees recognise leases. It is replacing the IAS 17 accounting standard along with the IFRIC 4, SIC 15 and SIC 27 interpretations. IFRS 16 requires lessees to use a single method for recognising leases, affecting the Statement of Financial Position in a similar way to finance leases as recognised until 31 December 2018 in accordance with IAS 17. The Group is not a party to any material leases in which it is the lessor, other than some intragroup leases. The accounting treatment of leases in which it is the lessor has not been substantially changed under IFRS 16 as compared with the accounting rules applicable until 31 December 2018.

The Group applies the IFRS 16 provisions described below for all its leases relating to underlying assets whose value, in brandnew condition, is significant and/or where the lease term is more than 12 months taking into account renewal options included in the lease contract.

Leases designated as finance leases at 31 December 2018

On the transition date, the Group did not adjust the value of assets and liabilities related to leases designated as finance leases under IAS 17. The assets were reclassified as usage rights and finance lease liabilities are now presented under overall lease liabilities. The provisions of IFRS 16 will be applied to events that may take place after the transition date.

Leases designated as operating leases at 31 December 2018

Since IFRS 16 came into force, the Group has recognized a lease liability reflecting the sum of lease payments still to be made, discounted at the marginal interest rate of the liability determined according to the method explained below, with a balancing entry consisting of the right to use the underlying asset. According to the simplified approach, the amount of usage rights is equal to the amount of the lease liability recognized.

Leases with term less than 12 months or relating to lowvalue assets are still recognized in the income statement with no impact on the Group's Statement of Financial Position.

Lease terms include the minimum lease terms and any renewal periods provided for in the lease.

Variable lease payments or services related to the lease are not taken into account in determining the amount of the right of use and the lease liabilities, and are recognized as expenses when incurred.

To determine the marginal interest rate used to calculate the lease liability, the Group took into account the weighted average duration of payments and country risk.

As set out below, the firsttime application of IFRS 16 resulted in an increase of the rights of use of tangible assets (technical equipment and transport equipment) and an increase in financial debts.

Consolidated Statement of Financial Position as 1st January 2019 :

(In millions of dirhams)	*31 December 2018*	*IFRS 16 Impact*	*1st January 2019*
ASSETS			
Current assets			
Cash and cash equivalents	17,141		17,141
Cash financial assets	5,654		5,654
Inventories	13,213		13,213
Trade receivables	10,279		10,279
Other current assets	9,383		9,383
Total current assets	**55,669**		**55,669**
Non-current assets			
Non-current financial assets	872		872
Investments in equity-accounted companies	3,802		3,802
Deferred tax assets	16		16
Property, plant & equipment	101,589	1,887	103,476
Intangible assets	510		510
Total non-current assets	**106,788**	**1,887**	**108,675**
Total Assets	**162,458**	**1,887**	**164,345**

(In millions of dirhams)	31 December 2018	IFRS 16 Impact	1st January 2019
LIABILITIES			
Current liabilities			
Current loans and financial debts	7,123	263	7,386
Current provisions	328		328
Trade payables	12,230		12,230
Other current liabilities	5,257		5,257
Total current liabilities	**24,939**	**263**	**25,202**
Noncurrent liabilities			
Noncurrent loans and financial debts	50,864	1,624	52,488
Noncurrent provisions for employee benefits	4,616		4,616
Other noncurrent provisions	757		757
Deferred tax liabilities	993		993
Total noncurrent liabilities	**57,230**	**1,624**	**58,854**
Equity Group share			
Issued capital	8,288		8,288
Paidin capital	18,698		18,698
Consolidated reserves Group share	46,450		46,450
Net profit (loss) Group share	5,424		5,424
Equity Group share	**78,859**		**78,859**
Noncontrolling interests	1,430		1,430
Total equity	**80,290**		**80,290**
Total liabilities and equity	**162,458**	**1,887**	**164,345**

B. IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 supplements IAS 12 "Income Taxes" by specifying arrangements for measuring and recognizing uncertainty relating to income tax.

Procedures carried out by the Group did identify a firsttime application impacts that have been accounted for in equity.

1.3 STANDARDS AND INTERPRETATIONS ADOPTED BY THE IASB BUT NOT YET APPLICABLE AT 31 DECEMBER 2019

The Group has not applied early the following standards and interpretations that could concern the Group and of which application was non mandatory at 1st January 2019:

- Amendments to IAS 1 and IAS 8 "Definition of Material";
- Amendments to IFRS 3 "Definition of a Business".

A study of the impacts and practical consequences of applying these amendments is under way.

However, they do not contain any provisions that are contrary to the Group's current accounting practices.

Note 2 Consolidation Scope

2.1. CONSOLIDATION SCOPE

Entity	Country of location	Currency	31 December 2019		31 December 2018	
			Consolidation method	% Interest	Consolidation method	% Interest
Industrial						
OCP S.A. - Holding	**Morocco**	**MAD**	**Parent Company**	**100.00**	**Parent Company**	**100.00**
Phosboucraâ	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company I - JFC I	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company II - JFC II	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company III - JFC III	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company IV - JFC IV	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company V - JFC V	Morocco	MAD	Full	60.00	Full	60.00
Euro Morocco Phosphore - EMA	Morocco	MAD	EM	33.33	EM	33.33
Indo Morocco Phosphore - IMA	Morocco	MAD	EM	33.33	EM	33.33
Pakistan Morocco Phosphore - PMP	Morocco	MAD	EM	50.00	EM	50.00
Paradeep Phosphates Ltd. - PPL	India	INR	EM	50.00	EM	50.00
Groupe PRAYON	Belgium	EUR	EM	50.00	EM	50.00
Trading						
OCP Africa	Morocco	MAD	Full	100.00	Full	100.00
Black Sea Fertilizer Trading Company	Turkey	TRY	Full	70.00	Full	70.00
OCP Fertilizantes	Brazil	BRL	Full	100.00	Full	100.00
SAFTCO	Swiss	USD	Full	100.00	Full	100.00
Others						
OCP International	Netherlands	USD	Full	100.00	Full	100.00
OCP International SAS	France	EUR	Full	100.00	Full	100.00
Fondation OCP	Morocco	MAD	Full	100.00	Full	100.00
Fondation Phosboucraa	Morocco	MAD	Full	100.00	Full	100.00
Université MED6 polytechnique - UM6P	Morocco	MAD	Full	100.00	Full	100.00
Lycée d'Excellence de Benguerir - Lydex	Morocco	MAD	Full	100.00	Full	100.00
Association pour la Promotion de l'Enseignement d'Excellence -APEE*	Morocco	MAD	Full	100.00		
Foncière Endowment 1-FE1 *	Morocco	MAD	Full	100.00		
Jacobs Engineering S.A. - JESA	Morocco	MAD	EM	50.00	EM	50.00
Dupont OCP Operations Consulting - DOOC	Morocco	MAD	EM	50.00	EM	50.00
OCP Solutions	Morocco	MAD	Full	100.00	Full	100.00
TEAL Technology & Services - TTS	Morocco	MAD	EM	49.00	EM	49.00
Société d'Aménagement et de Développement de Mazagan - SAEDM	Morocco	MAD	EM	51.00	EM	51.00
Société d'Aménagement et de Développement Vert - SADV	Morocco	MAD	Full	100.00	Full	100.00
OCP Innovation Fund For Agriculture - OIFFA	Morocco	MAD	Full	100.00	Full	100.00
OCP Services	Morocco	MAD	Full	100.00	Full	100.00
Société de Transports Régionaux - SOTREG	Morocco	MAD	Full	100.00	Full	100.00
Centre d'Etudes et de Recherches des Phosphates Minéraux - CER	Morocco	MAD	Full	100.00	Full	100.00

* New entities

2.2. SCOPE CHANGES

The Group's consolidation scope has changed with the creation of two entities : the "Association pour la Promotion de l'Enseignement d'Excellence" and "Foncière Endowment – I". These two entities are 100 % owned and controlled by OCP. They meet the needs for restructuring the activities of the OCP Foundation and the Mohammed VI Polytechnic University.

Note 3 - Segment reporting

The presentation of the Group' segment information has been changed and is now done by production axis in accordance with the Group's organization and internal reporting:

• **Northern Axis (Khouribga – Jorf Lasfar):** this axis hosts the integrated phosphate processing hub. Phosphate extracted at Khouribga is transported by slurry pipeline to Jorf Lasfar, where processed into phosphoric acid and fertilizer. The finished products are exported from the OCP port at Jorf Lasfar.

• **Central Axis (Youssoufia and Benguerir – Safi) and Phosboucraâ:** this axis hosts:
- The integrated phosphate processing hub. The phosphate extracted at Youssoufia and Benguerir is transported by rail to Safi, where processed into phosphoric acid and fertilizer. The finished products are exported from the OCP port at Safi.
- Phosboucraâ's extraction site. The phosphate extracted there is transported by conveyer to the processing center at Laâyoune, then exported by sea from Laâyoune port.

• **Head office and other activities:** it hosts the corporate activities and the activities of international entities

3.1 INFORMATION BY OPERATING SEGMENT

(In millions of dirhams)	*Nortern axis*		*Central axis & Phosboucraa*		***Head-office and** other activities*		*Intersegment eliminations*		*TOTAL*	
	FY 2019	*FY 2018*	*FY 2019*	*FY 2018*	*FY 2019*	*FY 2018*	*FY 2019*	*FY 2018*	*FY 2019*	*FY 2018*
Revenue	**41 038**	**42 493**	**11 102**	**12 968**	**3 931**	**2 709**	**(1 979)**	**(2 265)**	**54 092**	**55 906**
Production held as inventory	1 598	934	682	396	(379)	398			1 901	1 728
Purchases consumed	(16 470)	(16 968)	(3 466)	(4 009)	(3 527)	(3 634)	1 694	2 213	(21 768)	(22 398)
External expenses	(5 116)	(5 320)	(2 420)	(2 574)	(2 703)	(2 412)	501	526	(9 738)	(9 780)
Personal expenses	(4 234)	(4 115)	(2 799)	(2 694)	(2 180)	(1 671)			(9 213)	(8 480)
Taxes	(163)	(159)	(83)	(101)	(73)	(27)			(319)	(288)
Income from joint ventures	211	262			150	137			360	399
Exchange gains and losses on operating recevables and payables	(16)	(3)		11	(52)	(68)			(68)	(60)
Other operating income and expenses	154	48	2	(2)	145	477	(216)	(474)	86	49
EBITDA	**17 002**	**17 172**	**3 018**	**3 994**	**(4 688)**	**(4 091)**			**15 333**	**17 076**
Amortization, depreciation and operating provisions	(5 357)	(4 017)	(814)	(764)	(1 292)	(1 039)			(7 467)	(5 820)
Current operating profit (loss)	**11 646**	**13 155**	**2 206**	**3 230**	**(5 981)**	**(5 129)**			**7 866**	**11 256**
Other non-curent operating income and expenses	(239)	(324)	(292)	(188)	(973)	(738)			(1 504)	(1 250)
Operating profit (loss)	**11 403**	**12 831**	**1 908**	**3 042**	**(6 959)**	**(5 867)**			**6 362**	**10 006**

The Group sales decreased by 3 % in 2019 compared to 2018, due to the drop of prices during 2019.

Sales on the northern axis amounted to MAD 41 billion, 3 % lower compared to 2018, due to the impact of falling fertilizer prices.

Sales on the center axis decreased significantly, i.e -14 % compared to 2018. The decline in Phosphoric acid and Phosphates sales from Phosboucraâ impacted the revenue of this axis.

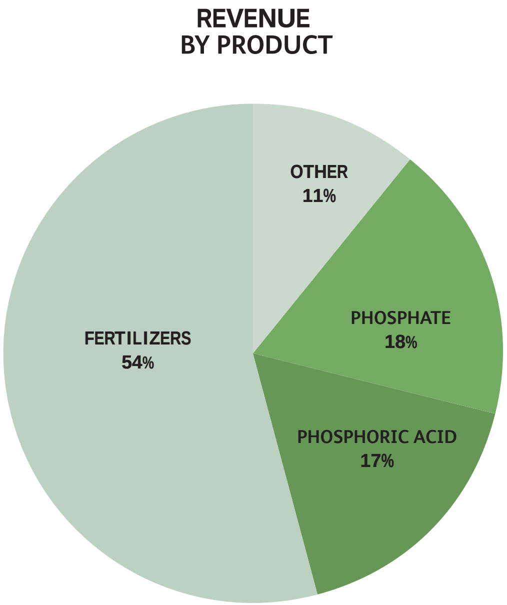
The Group's operating expenses remaine stable compared to 2018. The North and Center axis recorded lower expenses, mainly on the consumption of raw materials, offset by an increase in personnel expenses.

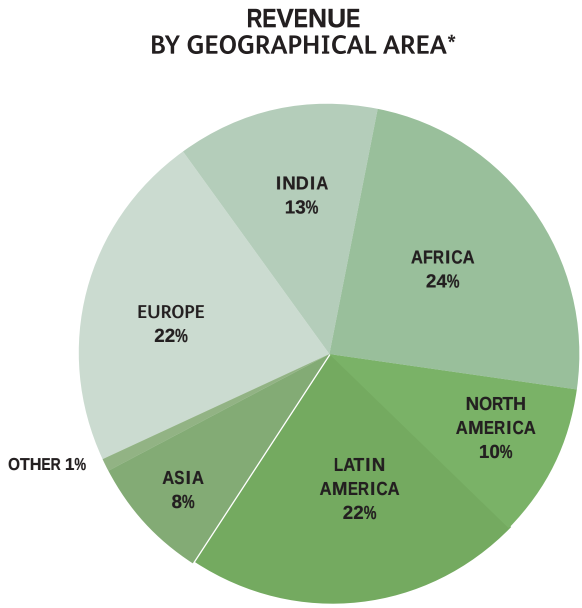
The Group's EBITDA decreased by 10 % ,mainly impacted by the decline in sales in 2019.

3.2 REVENUE BY PRODUCT AND GEOGRAPHICAL AREA

In 2019, Revenue amounted to MAD 54,092 million, 3 % lower compared to 2018.

The breakdown of net consolidated sales by product and by geographical area as at 31 December 2019 is detailed as follows:





* Revenue of Phosphate, Phosphoric acid and Fertilizers.

The Group generates revenues with a diversified customer base. No client alone generates more than 10 % of the consolidated revenue.

It should also be noted that 99 % of the consolidated assets are located in Morocco.

Note 4 - Operational data

4.1 OPERATING REVENUE

4.1.1 REVENUE

4.1.1.1 ACCOUNTING TREATMENT OF REVENUE

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed. Revenue is recognized upon the transfer of the significant risks and rewards of the goods' ownership, and when the amount of revenue can be reasonably estimated. This transfer of ownership is made at the time of delivery of goods for local sales and as per Incoterms for export sales:

• ***Sales carried out FOB (Free on Board):*** transfer of risk takes place when the goods are placed on board the ship at the port of shipment. This primarily concerns sales related to the mining activities.
• ***Sales carried out under the incoterm CFR (Cost and Freight):*** OCP bears, in addition, the transport costs to the destination port, loading costs, export formalities and the related duties and taxes.

4.1.1.2 INFORMATION BY PRODUCT FAMILY

(In millions of dirhams)	*FY2019*	*FY2018*
Phosphate	9,474	9,900
Phosphoric acid	9,433	9,813
Fertilizers	29,257	30,490
Other income	5,929	5,703
Revenue	**54,092**	**55,906**

(In millions of dirhams)	Phosphate		Phosphoric acid		Fertilizers	
Main markets	*FY2019*	*FY2018*	*FY2019*	*FY2018*	*FY2019*	*FY2018*
Export sales	**7,137**	**8,298**	**8,187**	**8,437**	**28,584**	**29,864**
Europe	2,152	2,340	3,103	3,666	5,852	4,811
South America	1,812	2,022	502	413	8,949	7,262
North America		907	55		5,077	7,569
India	1,768	1,572	3,812	2,625	349	2,705
Africa	5	6	43	46	5,900	5,292
Asia	1,068	1,091	673	1,687	2,445	2,138
Oceania	331	359			11	86
Local sales	**2,336**	**1,601**	**1,245**	**1,378**	**674**	**627**
Total	**9,474**	**9,900**	**9,433**	**9,814**	**29,257**	**30,490**

(In millions of dirhams)	Phosphate		Phosphoric acid		Fertilizers	
Breakdown by third parties	*FY2019*	*FY2018*	*FY2019*	*FY2018*	*FY2019*	*FY2018*
Revenue	**15,825**	**14,448**	**9,433**	**9,814**	**30,885**	**32,380**
Outside the Group	6,171	7,450	6,749	7,326	29,273	30,516
Joint ventures	3,303	2,450	2,683	2,488	(16)	(25)
Intercompany sales	6,351	4,548			1,628	1,890
Eliminations	**6,351**	**4,548**			**1,628**	**1,890**
Total	**9,474**	**9,900**	**9,433**	**9,814**	**29,257**	**30,490**

Phosphate sales posted a net decrease of 4 % between 2018 and 2019. This decrease is explained by:

- The decline in volumes exported to North America and Latin America. Indeed, a new strategy from the Canadian Group Nutrien, the merger between Potash Corp and Agrium, has led to the cancellation of its supply of Phosphate from OCP.

- The drop in sales in Brazil following the acquisition of the client Vale Cubatao Fertilizantes by Mosaic.

- The decline in volumes exported to Europe during 2019 mainly explained by the lower sales, most particularly in Poland and Bulgaria.

Furthermore, the prices remained stable year-on-year at $ 78 / T FOB on the international market.

Phosphoric acid sales posted a net decrease of 4% between 2018 and 2019. This variation is mainly attributable to a drop in prices with a total impact of MAD -471 million due to lower sulfur prices.

In addition, volumes exported during 2019 were broadly stable.

Fertilizer sales also decreased by 4% between 2018 and 2019 (MAD -1,234 million) where increased export volumes were largely offset by decreased prices.
Indeed, the drop in prices had an impact of MAD -5,083 million, due to lower raw material prices , namely sulfur and ammonia, and a slightly oversupplied market.
The exported volumes increased by MAD +3,037 million. In fact, the Group was able to benefit from a good agricultural season in Europe, a favorable demand in Latin America prompted by the low level of Brazilian inventories at the start of the year, and government subsidies in Argentina, which encouraged the purchase of fertilizers.

Other revenues are mainly comprised of «Freight» business and other ancillary products, particularly the sale of gypsum, sulfuric acid, ammonia, etc. This line amounts to MAD 5.9 billion, i.e + 4% year-on-year.

4.1.2 TRADE RECEIVABLES

4.1.2.1 ACCOUNTING TREATMENT OF TRADE RECEIVABLES

This category includes operating receivables, deposits and guarantees, as well as loans. Upon initial recognition, loans and receivables are recorded in the balance sheet at their fair value plus transaction costs directly attributable to the acquisition or issue of the asset. At the closing date, these assets are measured using the amortized cost method. A loss in value is recorded depending on the risk of nonrecovery.

4.1.2.2 ANALYSIS OF TRADE RECEIVABLES

(In millions of dirhams)	*31 December 2019*	*31 December 2018*
Trade receivables invoiced	9,133	10,659
Provisions trade receivables	(991)	(380)
Net trade receivables	**8,142**	**10,279**

Trade receivables show a decrease of MAD 2 billion between 2018 and 2019 in line with the decline in export sales mainly in the fourth quarter, as well as the decline in sales of intermediate products and other industrial services related to the shaping operations. Provisions –trade receivables are mainly relate to the depreciation of the receivables of the customer Heringer for an amount of MAD 466 million due to his financial difficulties.

Net trade receivable maturities as at 31 December 2019 are as follows:

(In millions of dirhams)	*Unmatured receivables*	*Matured receivables*			*Total*
		< 30 days	*30 - 180 days*	*more than 180 days*	
Net trade receivables	**5,819**	**389**	**635**	**1,299**	**8,142**

4.1.3 MANAGEMENT OF EXCHANGE RISK AND CREDIT RISKS

Exchange risk

The Group's exposure to risk mainly results from the performance of a large part of its operating flows and its financial flows in currencies other than that in which the Group keeps its books (MAD), mainly the US dollar and the Euro. OCP Group hedges its currency flows through natural hedging (foreign Currencies revenues – foreign currency expenses) and transfers the balance on the market through spot transactions.

Foreign exchange risk on financing flows

Setting up exchange rate hedge accounting

As part of these activities, OCP realizes sales in dollars and has issued two bonds in dollars in fine respectively on April 25, 2014 and April 22, 2015. The first debt of $ 1.25 billion comes to maturity on April 25, 2024 and the second debt of $ 1 billion matures on October 22, 2025. At each closing, these debts generate an exchange rate effect in income under IAS 21. In this context, OCP would like to limit this impact by using hedge accounting under IAS 39.

Accordingly, it was envisaged to document under IAS 39 a cash flow hedge (CFH) between the highly probable future sales in dollars (hedged item) and the two bond issues in dollars (hedging instrument).

The hedge started on September 1st 2018.

Thus, the hedged item relates to the highly probable revenue that will be realized:
• from April 2024 for a total amount equal to the nominal value of the first bond issue, ie $ 1.25 billion.
• from October 2025 for a total amount equal to the nominal value of the first bond issue, ie $ 1 billion.

Both bond issues will be used as hedging instruments.

According to the strategy initially described, OCP expects the hedge to be highly effective over the life of the transaction; the effectiveness of the hedge must be regularly tested over the life of the transaction and must be in the range of 80 % to 125 %.

The hedging strategy described above will result in the following accounting treatment:
• Recognition in OCI (Other Comprehensive Income), for the effective part, of the currency effect on the debt until maturity.

• Recycling as a result of OCI accumulated at the maturity of the debt. This recycling will be progressive over a period of 8 months from the date of repayment of the two debts.

Credit risks

The credit risk stems in particular from the client risk in the event that the customers are unable to fulfill their commitments under the agreed conditions, bank and political risk.

OCP Group is present in more than fifty countries in the world. Its Revenue is mainly generated by export sales. OCP Group counts among its clients large international groups that have been in business relations with the Group for several years.

Credit risk management is based on the following elements:
• OCP has a comprehensive credit risk hedging policy based on periodic assessments of the financial strength of its clients and counterparties.
• The Group carries out a very active monitoring of trade receivables and counterparty risks. The monitoring is also permanent and rigorous with preventive reminders and in case of exceeding deadlines.
• Reporting and monitoring indicators are produced monthly to assess the payment performance of customers and counterparties.

The Group covers credit risk through a nonrecourse credit insurance and factoring program signed with worldclass players.

4.2 PURCHASES CONSUMED AND EXTERNAL CHARGES

4.2.1 ACCOUNTING TREATMENT OF OPERATING CHARGES

Operating expenses are those related the operating business cycle of the company. They correspond to the expenses which contribute to sustainable wealth creation. The main operating expenses are generally the consumption of raw materials, consumable, nonstorable materials and supplies expenditure, external consumptions, staff costs (see Note5 : expenses and employee benefits) and taxes.
In accordance with the principle of matching revenues and expenses, revenues and expenses are directly related to each other and recorded in the same period.

4.2.2 ANALYSIS OF PURCHASES CONSUMED AND EXTERNAL CHARGES

Purchases consumed:

(In millions of dirhams)	*FY2019*	*FY2018*
Purchases of materials and supplies	(990)	(525)
Purchases of raw materials	(12,759)	(14,091)
Sulfur	*(6,989)*	*(8,069)*
Ammonia	*(3,714)*	*(3,873)*
Sulfuric acid	*(1,106)*	*(1,276)*
KCL	*(572)*	*(560)*
Other raw materials	*(377)*	*(312)*
Energy comsumption	(2,911)	(3,273)
Electric energy	(1,255)	(1,476)
Fuel	(983)	(1,123)
Diesel	(569)	(583)
Heating gas	(90)	(75)
Steam and others	(15)	(17)
Spare parts	(1,129)	(1,076)
Purchases of works, studies and services	(2,281)	(1,945)
Water supply	(153)	(149)
Auxiliary materials and othe purchases	(1,545)	(1,338)
Purchased consumables of materials and supplies	**(21,768)**	**(22,397)**

Commodities purchases decreased by MAD 1,332 million between 2018 and 2019. This variation is mainly due to the drop in sulfur purchases.

In fact, sulfur purchases decreased by MAD 1.08 billion following a 23 % drop in the price per tonne during 2019 ($ 112 / T CFR in 2019 compared to $ 145 / T CFR in 2018) as a result of the oversupply on the international market. Volumes increased by 10 % over the same period in correlation with the evolution in production of sulfuric acid.

Energy consumption amounted to MAD 2,911 million in 2019, a decrease of MAD 362 million compared to 2018. This decrease mainly concerns:

- Electric energy: an impact of MAD -221 million compared to 2018, explained by the decrease in purchases in Jorf Lasfar platform, which experienced disruptions in the production tools during 2018.

- Fuel : an impact of MAD -140 million, mainly due to the drop in dried volumes at Khouribga and Youssoufia.

Purchases of works, studies and services, increased by MAD 336 million in 2019 compared to 2018. This variation is explained by the increase in charges for digitization projects, as well as by the increase in logistics services (bagging, unloading, etc.) linked to the increase in sales to Ethiopia.

External expenses:

(In millions of dirhams)	*FY2019*	*FY2018*
Transport	(5,164)	(5,843)
ONCF transport on sales	*(851)*	*(980)*
Shipping on sales Freight	*(3,436)*	*(3,848)*
Truck phosphates transport	*(255)*	*(365)*
Personal transport	*(102)*	*(140)*
Other operating transport	*(520)*	*(511)*
Consulting and fees	(547)	(446)
Contributions and donations	(656)	(369)
Maintenance and repairs	(1,562)	(1,321)
Leases and lease expenses	(173)	(309)
Insurance premiums	(261)	(215)
Advertising, publications and public relations	(284)	(244)
Postal and telecommunications expenses	(114)	(71)
Researches and documentations	(86)	(165)
Remuneration of personal outside the company	(166)	(161)
Other external expenses	(725)	(636)
External expenses	**(9,737)**	**(9,780)**

External charges amounted to MAD 9.7 billion in 2019, it remained virtually stable compared to 2018, explained by the following variations:

• The decrease in shipping costs of MAD 412 million between 2018 and 2019 due to the reduction in ancillary costs (demurrage), explained by the decrease in the number of days of consignment of ports.

• The increase of the "maintenance and repairs" item of MAD 241 million following in particular the combination of overhaul works at the Jorf Lasfar and Phosboucraa sites and maintenance on the social infrastructures of Benguerir and Youssoufia, as well as digitalization work in connection with the extension of the application park.

• The increase in contributions and donations granted for MAD 287 million in 2019 compared to 2018, due to the increased scholarships granted to students and donations to different partners.

4.2.3 RISKS RELATED TO RAW MATERIALS

Sulphur supplies

On a global trade of 35 million tonnes per year, OCP Group imports nearly 6 million tonnes (2018) and is expected to import 7 million tonnes after the start of the new fertilizer production units (Horizon 2020-2021), equaling 25 % of the world trade. These rising imports are provided through direct contracts with the world's leading sulfur producers. The supplier portfolio is thus diversified from a regional standpoint but also from their position in the sulfur value chain. OCP portfolio consists of the main suppliers: Middle East, Europe, North America (US Gulf & Canada), FSU (Russia, Kazakhstan).

Sulphur prices

The price is fixed quarterly. The prices negotiated by OCP Group are among the most competitive as a result of the diversification policy and the Group's weight on the international market.

Ammonia supplies

Global trade in ammonia represents approximately 20 million tonnes per year. This market is a very regional one due to the high logistics costs involved. The Group's annual procurements represent around 1.8 million tonnes per year and should reach 2 million tonnes after the startup of the granulation units and the fertilizers production units. Morocco's geographical situation is advantageous in that it enables the Group to be close to the locations of the world's main exporters of ammonia (Trinidad, FSU,Far East)

The new dynamic of shale gas in North America and the ammonia projects announced in Russia will provide further potential supply sources for the Group in the future.

Ammonia prices

The price of ammonia is volatile and consequently prices are fixed cargo by cargo or over a short period. However, the Group has entered into contracts with all the main suppliers (Russia, Trinidad, Ukraine ...) to guarantee the availability of the product in the medium and long term .

4.2.4 INVENTORIES

4.2.4.1 ACCOUNTING TREATMENT OF INVENTORIES

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is determined according to the weighted average cost method. It comprises the costs of purchase, production, conversion and other costs incurred in bringing the inventories to their present location and condition. For manufactured inventories and workinprogress, the cost includes an appropriate share of the overheads based on normal production capacity.

At the moment of sales, inventories are accounted as expenses in current operating income at the same period as the corresponding product.
Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Incorporable costs exclude the portion of subactivity.

4.2.4.2 ANALYSIS OF THE INVENTORIES EVOLUTION

(In millions of dirhams)	*31 December 2019*			*31 December 2018*		
	Gross	*Depreciation*	*Net*	*Gross*	*Depreciation*	*Net*
Consumable materials and supplies	5,332	(1,499)	3,832	5,737	(1,409)	4,327
Inprocess inventory	6,758	(13)	6,744	5,735		5,735
Finished products	4,466	(48)	4,419	3,241	(90)	3,151
Total Inventories	**16,556**	**(1,560)**	**14,996**	**14,713**	**(1,500)**	**13,213**

Inventories of consumables and supplies consists mainly of nonstrategic spare parts for installations. Due to their short useful lifetime, these spare parts are not classified as an immobilization. The risk of obsolescence of parts is an indication of impairment that is reviewed annually to estimate whether impairment is required.

4.2.5 TRADE PAYABLES

(In millions of dirhams)	*31 Décember 2019*	*31 December 2018*
Trade payables	5,460	3,702
Fixed assets liabilities	9,550	8,529
Trade payables	**15,010**	**12,230**

Trade payables correspond to payables and fixed assets liabilities. This item shows a decrease of 22.7 % at 31 December 2019 compared to 31 December 2018, closely related to the continuation of the Group's investment program.

Note 5 - Expenses and employee benefits

5.1 PERSONNEL EXPENSES

(In millions of dirhams)	*FY2019*	*FY2018*
Employee remuneration and related social charges	(7 239)	(6 639)
Retirement benefits and medical cover	(1 308)	(1 178)
Other employee benefits	(666)	(664)
Personnel expenses	**(9 213)**	**(8 481)**

Personnel costs during 2019 amounted to MAD 9,213 million, + 9 % compared to 2018.

This is explained by the implementation of the 2018 Protocol of Agreement and the provision relating to the 2019 Protocol of Agreement, as well as by the increase in payroll following a series of recruitments deployed in particular at new subsidiaries (OCP Solutions, UM6P.)

5.2 NUMBER OF EMPLOYEES

(On number)	*31 December 2019*	*31 December 2018*
Non-excecutives	3,560	2,844
Technicians, Supervisors and Administrative executives	6,123	6,782
Manual workers and Clerical staff	10,182	10,463
Number of employees	**19,865**	**20,089**

5.3 POST EMPLOYMENT BENEFIT AND OTHER BENEFITS

5.3.1 GENERAL PRESENTATION OF SCHEMES EXISTING WITHIN THE GROUP AND ACCOUNTING TREATMENT

OCP Group has three types of benefits schemes:
• Post employment defined contribution plans are those for which the obligation of OCP Group is limited to the payment of a contribution that does not include any commitment by the employer to the level of benefits provided by the Group Allowance Plan "RCAR" pension. Contributions are expensed during the period in which the employees rendered the related services. Amounts assumed during the year under other defined contribution plans amounted to MAD 600 million in 2019 compared to MAD 564 million in 2018.

• Post employment defined benefit plans include all post employment benefits for which the OCP Group is committed to a benefit level. These include : death benefit, end-of-career benefits and post employment medical coverage for OCP staff.

• Other long-term benefits are benefits, other than post employment benefits and termination benefits, that are not due in full within 12 months of the end of the year in which the benefits are earned staff rendered the corresponding services. This includes the closed own plans for the death and disability benefit and the workers' compensation agreement. The other long-term benefit obligation is measured using an actuarial valuation method similar to that applied to defined benefit post employment benefits.

Defined benefit plans are subject to a provision, determined on the basis of an actuarial valuation of the commitment using the projected unit credit method, taking into account demographic and financial assumptions. Actuarial assumptions are reviewed on an annual basis.

Differences related to changes in actuarial assumptions and experiencerelated adjustments (the effect of differences between previous actuarial assumptions and what actually happened) are actuarial gains and losses recorded in recyclable equity in accordance with the provisions of IAS 19 revised and appear in the «Actuarial Gap» column in the consolidated statement of changes in equity.

5.3.2 MAIN ACTUARIAL ASSUMPTIONS USED

All defined benefit obligations have been calculated on the basis of actuarial calculations based on assumptions such as the discount rate, the medical inflation rate, future salary increases, the employee turnover rate and the number of employees and mortality tables. The main assumptions used are as follows:

	31 December 2019	31 December 2018
Discount rate		
Pension supplement	3.94 %	4.52 %
Medical plans	3.54 %	4.22 %
Expected salary increase rate	**5.10%**	**5.10%**
Rate of increase in medical costs	**1.00%**	**1.00%**

The discount rates are determined by reference to market yields on bonds issued by the Moroccan State, to which is added a basic risk premium to estimate the market yields on high quality corporate bonds over durations equivalent to those of the plans.

The new medical consumption curve assumed in the calculation of the commitment corresponds to the median agespecific medical consumption curve estimated from the history of new medical expenses for the years 2015, 2016 and 2017 instead of the previously used curve estimated for the years 2013 and 2014.

Moreover, regarding the outsourcing of health insurance plan to the AMO, OCP had fixed 2022 as the year of changeover.

5.3.3 OBLIGATIONS RELATED TO SOCIAL LIABILITIES

(In millions of dirhams)	*Post-employment*				*Other longterm benefits*	*Total employee benefits*
	Pension supplement	*Medical plans*	*Fixed retirement allocation*	*Total postemployment benefits*		
Net obligations recognized at 1st January 2018	**445**	**3,045**	**669**	**4,159**	**148**	**4,307**
Benefits paid	(9)	(579)	(88)	(676)	(18)	(694)
Service cost	5	83	78	165		165
Expenses related to discounting of obligations	20	130	29	180		180
Actuarial losses or (gains) for the period	(34)	434	(22)	378		378
Contributions		250		250		250
Other changes	30			30		30
Net obligations recognized at 1st January 2019	**458**	**3,363**	**665**	**4,486**	**130**	**4,616**
Benefits paid	(10)	(537)	(95)	(641)	(10)	(651)
Service cost	2	40	52	94		94
Expenses related to discounting of obligations	21	142	29	192		192
Actuarial losses or (gains) for the period	(93)	707	96	711		711
Contributions		271		271		271
Other changes	148			148		148
Net obligations recognized at 31 December 2019	**526**	**3,986**	**748**	**5,260**	**120**	**5,380**

5.3.4 ANALYSIS OF SENSITIVITY TO THE ASSUMPTIONS USED FOR DEFINED BENEFIT PLANS AND OTHER LONGTERM BENEFITS RECOGNIZED

(as % of the item measured) Sensitivity analysis +1%	31 December 2019		31 December 2018	
	Pension supplement	Medical plans	Pension supplement	Medical plans
Discount rate Impact on the current value of gross obligations at 31 December	-16 %	-10 %	-16 %	-10 %
Rate of change in medical costs Impact on the current value of gross obligations at 31 December		16 %		12 %

(as % of the item measured) Sensitivity analysis -1%	31 December 2019		31 December 2018	
	Pension supplement	Medical plans	Pension supplement	Medical plans
Discount rate Impact on the current value of gross obligations at 31 December	21 %	13 %	21 %	13 %
Rate of change in medical costs Impact on the current value of gross obligations at 31 December		-13 %		-10 %

5.4 KEY MANAGEMENT COMPENSATION

Key management includes the Chairman and Chief Executive Officer, Deputy Executive Officers, Executive Vice-Presidents, seniors Vice-Presidents, Vice-Presidents and advisors to the Chief Executive Officer.

(In millions of dirhams)	*FY2019*	*FY2018*
Short-term employee benefits	133	130
Post-employment benefits	22	21
Termination benefits employment contract		1
Total management compensation	**156**	**151**

Note 6 - Investments in Joint Ventures and associates

6.1 ANALYSIS OF INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Group's participations in associates* and joint ventures are analyzed as follows:

(In millions of dirhams)	31 December 2019	31 December 2018
Paradeep Phosphates Limited - PPL	1,099	1,049
Groupe PRAYON	1,184	1,132
Pakistan Maroc Phosphore - PMP	775	729
Euro Maroc Phosphore - EMA	164	140
Indo Maroc Phosphore - IMA	362	422
Société d'Aménagement et de Développement de Mazagan - SAEDM*	289	287
Teal Technology Services - TTS*	12	4
Others	(1)	39
Total interests in joint ventures	**3,882**	**3,802**

*SAEDM and TTS being two associated companies.

6.2 STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENTS OF ASSOCIATES AND JOINT VENTURES

The note hereafter details at 100 % the lines of the Statement of Financial Position and income statement of the consolidated associates and joint ventures:

Statement of Financial Position

(In millions of dirhams)	PRAYON	EMA	IMA	PMP	PPL	SAEDM	Others
ASSETS							
Current assets							
Cash and cash equivalents	497	224	100	36	28	189	737
Cash financial assets					35		
Inventories	1,948	290	233	194	1,274	1,005	
Trade receivables	579	233	565	488	2,578		1,685
Current tax receivables			22				65
Other current assets	133	74	207	829	486	67	445
Total current assets	**3,157**	**820**	**1,127**	**1,547**	**4,402**	**1,261**	**2,932**
Noncurrent assets							
Noncurrent financial assets	12				4		8
Investments in equity-accounted companies	880						
Equity securities	16						121
Deferred tax assets	128						
Property, plant and equipment	2,096	75	463	678	2,079	4	47
Intangible assets	104	153	23	12	2	1	11
Total non-current assets	**3,236**	**228**	**485**	**690**	**2,085**	**5**	**187**
Total Assets	**6,392**	**1,048**	**1,613**	**2,237**	**6,487**	**1,266**	**3,119**

(In millions of dirhams)	PRAYON	EMA	IMA	PMP	PPL	SAEDM	Others
LIABILITIES							
Current liabilities							
Current loans and financial debts	1,196				2,617		7
Current provisions	13		1		103		2
Trade payables	1,235	361	447	637	1,200	178	850
Current tax liabilities		1		28	109		91
Other current liabilities	407	53	20	4	228	4	870
Total current liabilities	**2,851**	**415**	**467**	**669**	**4,257**	**182**	**1,820**
Non-current liabilities							
Non-current loans and financial debts	755	134		1		517	
Non-current provisions for employee benefits	187						
Other non-current provisions	21				33		
Deferred tax liabilities	214						
Other non current liabilities	10						
Total non current liabilities	**1,188**	**134**		**1**	**33**	**517**	
Equity Group share	536	180	620	800	774	608	116
Paidin capital		110					
Reserves	(60)	128	223	480	1,305		8
Retained earnings	1,777		165	20	(22)	(46)	981
Net profit (loss) Group share	100	80	137	267	140	5	194
Total equity	**2,353**	**499**	**1,145**	**1,567**	**2,197**	**567**	**1,299**
Total liabilities and equity	**6,392**	**1,048**	**1,613**	**2,237**	**6,487**	**1,266**	**3,119**

Income statement:

(In millions of dirhams)	PRAYON	EMA	IMA	PMP	PPL	SAEDM	Others
Revenue	**7,907**	**1,622**	**2,319**	**2,522**	**6,026**		**3,088**
Production held as inventory	(16)	(21)	85	83	(190)	156	
Purchases consumed	(5,049)	(1,355)	(1,698)	(1,840)	(4,294)	(141)	(1,683)
External expenses	(1,385)	(126)	(469)	(364)	(634)	(6)	(190)
Personnel expenses	(1,106)			(9)	(203)	(13)	(921)
Taxes		(2)	(3)	(1)	(1)		(2)
Exchange gains and losses on operating receivables and payables	118	2	(2)				
Other operating income and expenses	206	(1)	(4)		(134)		4
EBITDA	**675**	**119**	**229**	**391**	**570**	**(4)**	**297**
Amortization, depreciation and operating provisions	(351)	(9)	(55)	(106)	(105)	(0)	(4)
Operating profit (loss) before exceptional items	**324**	**110**	**174**	**285**	**465**	**(4)**	**293**
Other non current operating income and expenses	19	(4)	(14)	45	(16)		(2)
Operating profit (loss)	**343**	**106**	**160**	**330**	**450**	**(4)**	**290**
Cost of net financial debt	(78)	1	7	13	(180)	9	4
Exchange gains and losses on financial receivables and payables	(103)				(62)		
Other financial income and expenses	(25)	(4)	1				
Financial profit (loss)	**(206)**	**(3)**	**7**	**13**	**(242)**	**9**	**4**
Profit (loss) before tax	**137**	**103**	**167**	**343**	**208**	**5**	**294**
Corporate tax	(37)	(23)	(30)	(75)	(68)		(100)
Net profit (loss) for the period	**100**	**80**	**137**	**267**	**140**	**5**	**194**

6.3 SERVICES PROVIDED BY OCP TO JOINT VENTURES

OCP provides its joint ventures with various services as summarized below:

6.3.1 SUPPLY OF PHOSPHATE

Contractual provisions govern OCP's supply of phosphate to its joint ventures. These provisions notably concern the following:

- The quality of the rock, defined according to specifications determined by the joint venture annually.
- The price invoiced to the joint venture which corresponds to the average export market prices for the year. The same price determination formula is used for all of the joint ventures.
- And other conditions related to invoicing and payment terms.

OCP also supplies phosphoric acid to its joint ventures EMAPHOS, Paradeep Phosphates Limited (PPL) and PRAYON. In these sales, OCP recorded a revenue of MAD 2,496 million in 2019 against MAD 2,478 million in 2018.

6.3.2 SUPPLY OF SERVICES AND UTILITIES

The services and utilities provided by OCP to its joint ventures based on the Jorf Lasfar platform mainly concern the use of the infrastructures of Jorf Lasfar, the supply of utilities (liquid sulfur, water, steam etc.) necessary for the industrial exploitation, the knowhow of the OCP personnel, the services of maintenance of the installations and equipment and the services of handling, and finally the services of rental of materials of storage.

6.3.3 LEASES

OCP has signed lease agreements with local joint ventures based on the Jorf Lasfar platform. Rents are payable in advance at the beginning of the year and revised according to the terms and conditions set out in the contracts.
OCP has also entered into a lease agreement with the TTS joint venture for the rental of a workspace at OCP headquarters

6.3.4 FINANCIAL AGREEMENT

OCP and Prayon entered into a subordinated loan agreement of EUR 9 million in 2013 to tackle the company's cash requirements. The interest rate applied is 5.5 % . The outstanding amount of this loan amounts to EUR 3.4 million was converted into share capital on 3 December 2019. There are no more financial agreements between Prayon and OCP to date.
OCP has also concluded cash pooling agreements with certain joint ventures (Indo Maroc Phosphore -IMA, Pakistan Maroc Phosphore -PMP, etc.)

6.3.5 OTHER SERVICES

OCP also provides marketing services (marketing products manufactured by the joint venture) and chartering to some of its joint ventures.
OCP also signed a multiparty contract for the sale of spare parts on the Jorf Lasfar platform in 2017 with several subsidiaries and joint ventures, including Indo Maroc Phosphore -IMA, and Euro Maroc Phosphore- EMAPHOS.

6.3.6 BENEFITS PROVIDED BY JOINT VENTURES TO OCP

Dupont OCP Operations Consulting -DOOC and OCP have entered into a Master Consulting Services Agreement, through which DOOC provides consulting services to OCP primarily in the areas of security, operational efficiency and environmental management. The contract was amended in 2015, 2017 and 2018.

Jacobs Engineering S.A. - JESA provides OCP with engineering services through the Framework Services Agreement signed in 2017.

Teal Technology & Services and OCP have entered into a Master Services Agreement through which TTS provides data center services, digital transformation and outsourcing of existing businesses.

Note 7 – Other operating items

7.1 ACCOUNTING TREATMENT OF THE OTHER OPERATING ITEMS

Other operating items primarily include taxes, foreign exchange gains and losses on operating receivables and payables, and other noncurrent operating income and expenses.

Noncurrent items are items (income and expenses) that have little predictive value due to their nature, frequency and / or materiality. These income and expense concern:

- Impairment losses on fixed assets (cf. Note 8.1.3 «Impairment tests and impairment losses «), if so, the reversals of impairment losses on intangible assets, being generated by an event that substantially modify the economic viability of the concerned products;
- Gains or losses on business disposals;
- Income of equity revaluation previously held in activities in which the Group takes control;
- Other unusual and materials items which nature is not directly related to current operations.

7.2 OTHER CURRENT ASSETS

(In millions of dirhams)	*FY2019*	*FY2018*
Gains and losses on other assets	8	27
Subsidies granted	(525)	(421)
Donations, legacies, liberalities	(615)	(376)
Tax inspection	(87)	(218)
Others	(284)	(262)
Other noncurrent operating income and expenses	**(1,504)**	**(1,250)**

Operating income and expenses recorded a net loss of MAD 254 million between 2018 and 2019. This variation is mainly explained by the increase in subsidies granted of MAD 239 million, including in particular, recognition during the 2019 of the tax on social cohesion for MAD 154 million.

7.3 OTHER CURRENT ASSETS

(In millions of dirhams)	*31 December 2019*			*31 December 2018*		
	Gross	*Depreciation*	*Net*	*Gross*	*Depreciation*	*Net*
Receivables from suppliers, advances and payments on account	7,478	(6)	7,472	4,113	(6)	4,107
Personnel	68	(1)	67	76	(1)	75
Social organizations	316	(32)	284	293	(17)	277
State (excluding corporate income tax)	6,945		6,945	4,610		4,610
Tax receivables	39		39	34		34
Other receivables	330	(13)	317	290	(10)	280
Total other current assets	**15,177**	**(52)**	**15,124**	**9,417**	**(34)**	**9,383**

State (excluding corporate income tax) mainly included recoverable VAT, mining tax and other taxes. The VAT credit amounted to MAD 4,757 million as of 31 December 2019.

The tax receivable maturities as at 31 December 2019 are detailed in the table below:

(In millions of dirhams)	*Total*	*Unmatured*	*Matured*		
			<30 days	*30-120 days*	*> 120 days*
State, VAT	1,916	1,670		116	130
VAT credit	4,757	2,071			2,687
State, other taxes	272	152			120
Total	**6,945**	**3,893**		**116**	**2,937**

7.4 OTHER CURRENT LIABILITIES

(In millions of dirhams)	*31 December 2019*	*31 December 2018*
Trade receivable credit balances, advances and payments on account	1,511	763
State-VAT	992	1,229
Social payables	1,227	1,079
Tax liabilities	212	30
Other creditors	2,441	2,156
Total other current liabilities	**6,383**	**5,257**

Other current liabilities increased by MAD 1,126 million between the end of 2018 and the end of 2019. This variation is mainly explained by the effect of the increase in advances and deposits relating to the granting of bonuses, regularizations and commissions granted to Foreign customers.

Note 8 – Property, plant & equipment and intangible assets

8.1 ACCOUNTING TREATMENT OF ASSETS

8.1.1 PROPERTY, PLANT & EQUIPMENT

Measurement and useful lives of operating assets

The equipment controllers and maintenance managers in the Northern, Central and Phosboucrâa axis identify the useful lives of the various categories of assets (main assets and components). These lives correspond to the potential duration of technical utilization. The useful lives and depreciation methods used are examined at the close of each period and prospectively adjusted, if necessary.

Property, plant & Equipment (PP&E) are recognized at their historic acquisition cost, production cost or cost of entry to the Group, less depreciation and possible loss of value. Borrowing costs incurred during the construction of a qualified asset are incorporated into the cost of the asset. Costs of day-to-day maintenance are recognized as maintenance costs if the frequency of renewal of this maintenance in terms of volume is annual. The partial or total restoration of one or several components constitutes major maintenance. This is recognized in fixed assets and the net carrying amount is derecognized.

Depreciation

In accordance with the component approach, the Group uses differentiated depreciation periods for each of the significant components of the same asset if the useful life of one of the components is different from the useful life of the principal asset to which it belongs. Depreciation is calculated using the straight-line method on useful lives corresponding to the following technical lives:

Property, plant and equipment	*Duration*
Mining land	10 to 30 years
Buildings	15 to 60 years
Technical installations equipment and tools	5 to 30 years
Transport equipment	5 to 30 years
Furniture, office equipment, fitings	3 to 30 years

Leases

Since January 1st, 2019, the Group has applied IFRS 16 “Leases” according to the“simplified retrospective” method. With the application of this new standard, OCP Group now recognizes all of its rental agreements in the balance sheet, with the exception of contracts within 12 months of the end of the year or for contracts of value unitary new to less than 50,000 dihams.

On the transition date, the Group did not change the value of the assets and liabilities related to leases qualified as finance leases according to IAS 17. The assets have been reclassified under right of use and the finance lease debts are now presented with the rental debts. IFRS 16 will be applied to events that may occur after the date of transition.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a ‘qualifying asset’ are included in the cost of the asset, in accordance with IAS 23 “Borrowing costs”.

OCP capitalizes the borrowing costs for MAD 635 million in 2019, versus an amount of MAD 817 billion in 2018.

8.1.2 INTANGIBLE ASSETS

Initial and subsequent measurement

Intangible assets are composed of patents, licenses, software, and research and development costs. They are recognized at their acquisition cost less accumulated amortization and impairment losses. Expenses thus recorded in assets include costs for equipment and services, costs of personnel directly assigned to the production and preparation of some softwares for their use and costs of borrowing if eligibility conditions are satisfied.

Expenses undertaken over the development phase are capitalized when the criteria for recognition of an asset set forth in IAS 38 are met: technical feasibility, intention to complete the asset and to use it or to sell it, probability of future economic benefits, availability of resources, ability to measure the development expenses reliably. Expenses incurred during the research phase are not capitalized, but are expensed.

Depreciation

Intangible assets consist mainly of softwares and are amortized on a straight-line basis according to their useful life, which ranges from 1 year to 5 years.

Development expenditures

The development phase starts when the deposit has been analyzed as economically feasible and a decision has been taken to develop it. Only the expenditure incurred before the production phase and for the development of the deposit is capitalized. Development expenditure incurred to maintain the existing production is recognized as expenses.

Goodwill

There is no significant goodwill in the Group.

8.1.3 IMPAIRMENT TESTS AND IMPAIRMENT LOSSES

Valuations used for impairment tests

The assumptions and estimates which are made to determine the recoverable value of goodwill, intangible assets and PP&E relate in particular to the market prospects necessary to evaluate cash flows and the discount rates used. Any modification of these assumptions could have a significant effect on the amount of the recoverable value, and could lead to a modification of the impairment to be recognized.

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Given the Group's activities, three main cash generating units are identified:

- **Northern Axis (Khouribga – Jorf Lasfar):** this axis hosts the integrated phosphate processing hub. Phosphate extracted at Khouribga is transported by slurry pipeline to Jorf Lasfar, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the OCP port at Jorf Lasfar.
- **Central Axis (Youssoufia and Benguerir – Safi):** this axis hosts: the integrated phosphate processing hub. The phosphate extracted at Youssoufia and Benguerir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the OCP port at Safi
- **Phosboucraa Axis:** Phosboucraâ extraction site. The extracted phosphate is transported by conveyor to the processing center at Laâyoune, and then exported by sea from Laâyoune.

The impairment tests for assets apply the following rules:

- Goodwill and intangible assets with indefinite useful lives are tested for impairment at least once a year
- PP&E and intangible assets with finite lives are tested for impairment if there is an indication of impairment, as defined hereafter
- Significant reduction in the market price of the asset
- Obsolescence or physical deterioration of the asset
- Significant negative changes in the past or planned use of an asset
- Significant change in the technological, economic or legal environment
- Increase in interest rates or yield which could affect useful value

An impairment loss is recognized when the recoverable value of a CGU is lower than the net carrying amount of the assets that belong to it. The recoverable amount of a CGU is the higher of its fair value less costs to sell, and its value in use. The value in use is equal to the present value of the future cash flows that it generates, as per the budget and strategic plan approved by the Board of Directors, increased, by its exit value at the end of its expected useful life.

NO IMPAIRMENT LOSSES WERE IDENTIFIED AT THE CLOSE OF FINANCIAL YEARS 2018 AND 2019.

8.2 PROPERTY, PLANT AND EQUIPMENT VARIATION

(In millions of dirhams)	*31 December 2018*	*Acquisitions*	*Provisions*	*Reductions / Reversals*	***Reclassification***		*Other changes*	*31 December 2019*
Gross amount:								
Land	6,120	(16)			98	(1)		6,201
Buildings	40,615	2,413		(12)	7,438	(2)		50,451
Technical installations, equipment and tools	97,349	1,065		(336)	(967)	(1)		97,110
Transport equipment	971	25		(13)	(90)			893
Furniture, office equipment and various fittings	2,702	109		(28)	544	(2)		3,325
Right of use of other tangible assets *		94			2,135		1,887	4,116
Other property, plant and equipment	10,911	8,098			(9,105)			9,904
Total gross amount	**158,669**	**11,787**		**(389)**	**53**	**(6)**	**1,887**	**172,001**
Depreciations:								
Land	(1,098)		(24)					(1,121)
Buildings	(11,633)		(1,344)	3	61			(12,913)
Technical installations, equipment and tools	(41,792)		(4,418)	353	840			(45,017)
Transport equipment	(738)		(56)	13	54			(727)
Furniture, office equipment and various fittings	(1,184)		(300)	16	17			(1,452)
Right of use of other tangible assets			(468)		(1,037)			(1,505)
Other property, plant and equipment	(631)		(238)	7	63			(799)
Impairment losses								
Buildings	(3)			1				(3)
Total depreciation and impairment losses	**(57,079)**		**(6,848)**	**393**	**(3)**	**1**		**(63,537)**
Net carrying amount	**101,589**	**11,787**	**(6,848)**	**4**	**50**	**(5)**	**1,887**	**108,464**

*The assets under finance lease are now presented in rights of use of lease contracts, following the application of the IFRS 16 standard.

(In millions of dirhams)	*31 December 2017*	*Acquisitions*	*Provisions*	*Reductions / Reversals*	***Reclassification***	*Translation difference*	*Other changes*	*31 December 2018*
Gross amount:								
Land	6,011	473		(433)	70	(1)		6,120
Buildings	36,029	1,723		(669)	3,535	(3)		40,615
Technical installations, equipment and tools	101,471	3,345		(488)	(6,981)	(1)	3	97,349
Transport equipment	953	32		(4)	(11)			971
Furniture, office equipment and various fittings	2,508	143		(25)	52	(2)	25	2,702
Other property, plant and equipment	2,875	(501)		502	7,998		2	10,876
Property, plant and equipment under construction	(28)	4,378		(39)	(4,285)		9	35
Total gross amount	**149,821**	**9,593**		**(1,156)**	**379**	**(7)**	**38**	**158,669**
Depreciations:								
Land	(1,028)		(69)					(1,098)
Buildings	(11,142)		(995)	494	9			(11,633)
Technical installations, equipment and tools	(38,330)		(3,915)	461	(8)			(41,792)
Transport equipment	(694)		(48)	3				(738)
Furniture, office equipment and various fittings	(997)		(197)	14	(1)		(4)	(1,184)
Other property, plant and equipment	(612)		(80)	61				(631)
Impairment losses								
Impairment losses of buildings	**(3)**		**(1)**	**1**				**(3)**
Total depreciation and impairment losses	**(52,806)**		**(5,304)**	**1,035**		**1**	**(5)**	**(57,079)**
Net carrying amount	**97,015**	**9,593**	**(5,304)**	**(122)**	**380**	**(6)**	**33**	**101,589**

The main achievements of 2019:

• **Mining activities :** Start-up of the binding conveyor, which links the Mzinda mine to the Youssoufia processing plant.

• **Processing activities :** Start-up of the sulfuric line D with a capacity of 1.5 million tonnes per year as well as the launch of production of soluble MAP at the Jorf Lasfar platform.

• **Environnement :** Installation of gas washing technology in 8 production lines of Phosphoric Acid and 3 production lines of Sulfuric Acid at the Safi site.

Besides, the Group continues its investment program:

Mining activity :

• Launch of construction works for the Benguerir laundromat, this project aims to:

Ensure a production of 3 MT / year by 2020 and 9 MTSM by 2025 in order be in line with the needs of the Safi site;

Reduce the cost of transport by train to Youssoufia and Safi by transporting the washed floated product instead of raw phosphate;

Enrich all the phosphate layers of the Benguirer mine without operating constraints.

• Continuation of construction work on the Laâyoune laundromat intended for the treatment of the new phosphate layers in Boucraâ to ensure rational and balanced exploitation of the deposit with an annual washing capacity of 3 million tonnes. This new washing and flotation unit will have two washing lines and four flotation lines.

Processing activity:

• Building of three new sulfuric lines s and two power stations in Jorf Lasfar;

• Launch of the construction of a sulfuric line at Safi with an annual capacity of 700,000 tonnes;

• Continuation of construction work for the new phosphoric acid unit in Jorf Lasfar;

• Launch of the construction of three fertilizer production lines with a unit capacity of 1 million tonne / year, identical to the model installed at the JFCs with the possibility of producing TSP.

8.3 INTANGIBLE ASSETS VARIATION

(In millions of dirhams)	*31 December 2018*	*Aquisitions*	*Dotations*	***Reclassifi-*** *cation*	*31 December 2019*
Gross amount:					
R&D assets	85	150		(134)	100
Patents, trademarks, rights and similar items	78	2		(3)	76
Licences and software	551	36		55	642
Other intangible assets	233	636		(20)	849
Total gross amount	**947**	**824**		**(102)**	**1,668**
Amortization:					
Amortization of R&D assets	(40)		(15)		(55)
Amortization of patents, trademarks, rights and similar items	(55)		(8)	3	(59)
Amortization of licences and software	(235)		(34)	1	(268)
Amortizaiton of other intangible assets	(107)		(80)	(3)	(190)
Total amortization and impairment losses	**(437)**		**(137)**	**1**	**(572)**
Net carrying amount	**510**	**824**	**(144)**	**(101)**	**1,095**

(In millions of dirhams)	*31 December 2017*	*Aquisitions*	*Dotations*	***Reclassification***	*31 December 2018*
Gross amount:					
R&D assets	74	10			85
Patents, trademarks, rights and similar items	72	6			78
Licences and software	443	64		45	551
Other intangible assets	54	495		(316)	233
Total gross amount	**643**	**574**		**(271)**	**947**
Amortization:					
Amortization of R&D assets	(27)		(12)		(40)
Amortization of patents, trademarks, rights and similar items	(51)		(6)	2	(55)
Amortization of licences and software	(170)		(64)		(235)
Amortizaiton of other intangible assets	(75)		(31)	(2)	(107)
Total amortization and impairment losses	**(322)**		**(114)**	**(1)**	**(437)**
Net carrying amount	**321**	**574**	**(114)**	**(271)**	**510**

8.4 NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	*FY2019*	*FY2018*
Net depreciation and amortization	**(6,956)**	**(5,489)**

The increase in net depreciation and amortization during 2019, is driven by the effect of the investments commissioned in 2019.

Note 9 – Provisions and contingent liabilities

9.1 NET PROVISIONS

The Group recognizes a provision as soon as there is a current, legal or constructive obligation, resulting from a past event, and where it is probable that an outflow of resources will be required to extinguish the obligation.

An obligation is qualified as constructive if the following two conditions are met:
• It has been indicated to other parties, by past practice, published policies or a sufficiently specific current statement, that the entity will accept certain responsibilities ;
• The entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

9.2 NET PROVISIONS

(In millions of dirhams)	*FY2019*	*FY2018*
Net provisions	(511)	(332)

Net provisions increased by MAD 179 million in 2019 compared to 2018, mainly related to:
- The depreciation of Heringer's receivables for an amount of MAD 466 million due to its financial difficulties,
- The decrease in allocations for risks and charges of MAD -499 million due to the recognition in 2018 of the provision for litigation on the market for MAD -220 million and the tax audit provision for MAD -110 million.

9.3 PROVISIONS FOR LIABILITIES AND CHARGES

Current and non-current provisions can be broken down as follows:

(In millions of dirhams)	*31 December 2018*	*Increase*	*Reversals*		*Other changes*	*31 December 2019*
			Used	*Unused*		
Non-current provisions	**5,373**	**116**	**(134)**	**(220)**	**765**	**5,900**
Provisions for employee benefits	4,616	25	(15)		755	5,380
Provisions for environmental risks & for Site rehabilitation	307	13				320
Other non-current provisions	450	79	(119)	(220)	10	200
Current provisions	**328**	**35**	**(10)**			**353**
Other current provisions	328	35	(10)			353
Total provisions	**5,701**	**151**	**(144)**	**(220)**	**765**	**6,253**

Measurement of provisions for employee benefits

Provisions for employee benefits cover benefits related to the death benefit, medical plans, fixed retirement allocations and other long-term benefits. Details of these advantages are disclosed in Note 5 «Expenses and employee benefits».

Measurement of provisions for site rehabilitation

The rehabilitation of mining soils is an integral part of the OCP's sustainable development policy. The group anticipates the rehabilitation of the land from the beginning of the extraction. Its approach involves recovering the topsoil and storing it during the operation of the mine. Subsequently, at the end of the operation, these excavated materials are used to create a regular ground and prepare the soil for agricultural use. The Group also takes advantage of the opportunity to initiate agricultural and forestry activities that benefit the communities. This approach is based on the involvement of the local populations as well as the authorities and associations or agencies concerned at the start of the project. In addition to respecting the peculiarities of the soils and the local climatic conditions, the cultures and the introduced activities are done in the light of the local know-how. The former Khouribga mine testifies to the value of this approach.

9.4 CONTINGENT LIABILITIES

Contingent liabilities concern bank guarantees and other items arising in the ordinary course of the Group's business. OCP Group does not expect these items to result in significant liabilities.

9.5 COMMITMENT GIVEN

(In millions of dirhams)	*31 December 2019*	*31 December 2018*
Letters of credit	1,774	1,289
Miscellaneous rights and commitments	650	295
Total Commitments given	**2,424**	**1,583**

Note 10 – Financial instruments, net debt and net cost of financing

10.1 CASH MANAGEMENT FINANCIAL ASSETS, FINANCIAL LIABILITIES, NET DEBT AND NET COST OF FINANCING

10.1.1 DEFINITIONS AND ACCOUNTING TREATMENT

Financial liabilities

Financial liabilities include financial loans and debts, and bank overdrafts, they are initially recognized at the fair value of the amount required to settle the corresponding obligation, less related costs. Upon subsequent measurement, these financial liabilities are recognized at amortized cost, using the effective interest rate method. The interest calculated at the effective interest rate is recognized in the item "Cost of gross financial debt" over the term of the financial debt.
Financial assets and liabilities are classified as current when expected maturity of the instrument cash flows is less than one year.

Cash and cash equivalents

"Cash and cash equivalents" include cash as well as short-term investments (with a maturity of less than three months) classified in this category as long as the following criteria are met

• Highly liquid,

• Easily convertible to a known cash amount,

• Subject to a negligible risk of change in value.

Short-term investments primarily correspond to cash unit trusts measured at fair value at the closing date, and changes in fair value are recognized in financial profit or loss.

Cash management financial assets

Cash financial assets mainly correspond to term deposits. These are investments whose maturity and income conditions are determined when they are made and which the Group intends and has the means to keep until their maturity. They are measured at amortized cost. Remuneration of term deposits is recognized in financial profit or loss.

Net debt

Net debt is defined as the sum of current and non-current financial debt less cash and cash equivalents and financial cash assets.

Cost of net financial debt

The cost of net financial debt includes the cost of gross debt plus financial income from cash investments.

• Cost of gross debt: This includes interest charges calculated using the effective interest rate method, the costs of early repayment of loans or cancelation of lines of credit

• Financial income from cash investments: This is composed of income from investments of cash and cash equivalents as well as financial cash assets.

10.1.2 ANALYSIS OF FINANCIAL DEBTS

10.1.2.1 BREAKDOWN OF FINANCIAL DEBTS BY TYPE

The table below shows the breakdown of the Group's financial debts by type:

(In millions of dirhams)	*31 December 2019*	*31 December 2018*
Current financial debts		
Government credits	64	65
Long-term bank loans, portion due in less than one year	5,347	5,178
Finance leases, portion due in less than one year	484	114
Financial debts resulting from Murabaha		387
Accrued interest not yet due	574	588
Other credits	797	790
Total current financial debts	**7,267**	**7,123**
Non-current financial debts		
Government credits	303	374
Long-term bank loans, portion due in more than one year	20,930	20,105
Bond issue	26,840	26,718
Finance leases, portion due in more than one year	1,645	134
Other credits	2,573	3,533
Total non-current financial debts	**52,292**	**50,864**
Total financial debts	**59,559**	**57,988**

The financial debts increased by MAD 1,571 million at the end of December 2019 compared to the end of 2018, this is mainly explained by the application from January 1, 2019 of the new IFRS 16 standard on leases. In fact, the Group now recognizes a rental debt reflecting the sum of the rents still to be paid, discounted at the marginal rate of debt determined, in return for a right to use the underlying asset (see Note 1.2.A - IFRS 16 «Leases»).

10.1.2.2 ANALYSIS OF FINANCIAL DEBTS: RATES AND MATURITIES

The table below shows the breakdown of total loans according to interest rate, maturity date and currency.

(In millions of dirhams)	*Interest rate*	*Weighted average interest rate*	*Weighted average residual maturity*	*31 December 2019*
Government credits				
Denominated in EUR	[1,30 % -2,50 %]	2,09 %		64
Long-term bank loans, portion due in less than one year				**5,347**
Denominated in USD	[2,94 % -4,15 %]	3,57 %		1,349
Denominated in MAD	[3,20 % -3,95 %]	3,53 %		3,603
Denominated in EUR	[1,13 % -4,47 %]	2,61 %		394
Finance lease debts				
Denominated in MAD	[3,50 % -4,70 %]	3,54 %		484
Accrued interest not yet due				**574**
Other credits				**797**
Total current financial debts				**7,267**
Government credits				
Denominated in EUR	[1,30 % -2,50 %]	2,36 %	11	303
Long-term bank loans, portion due in more than one year				**20,930**
Denominated in EUR	[1,13 % -4,47 %]	2,09 %	6	2,168
Denominated in MAD	[3,25 % -3,95 %]	3,75 %	4	14,483
Denominated in USD	[2,94 % -4,15 %]	3,56 %	5	4,279
Finance lease debts				
Denominated in MAD	[3,50 % -4,70 %]	3,76 %	3	1,645
Bond issue				**26,840**
Denominated in USD	[4,50 % -6,88 %]	5,49 %	9	26,840
Other credits				**2,573**
Total non-current financial debts				**52,292**
Total financial debts				**59,559**

10.1.2.3 FINANCIAL DEBT MATURITIES

The table below shows the maturities of financial debts as at 31 December 2019:

(in millions of dirhams)	<1 yr	1-5 yrs	> 5 yrs	Total at 31 December 2019
Medium and long-term debt	7,267	45,356	6,936	59,559

10.1.2.4 THE GROUP'S MAIN FINANCING AGREEMENTS

The Group's main financing agreements concluded during 2019 are as follows:
• The subsidiary Phosboucraa concluded three financing contracts for a total amount of MAD 4 billion at fixed interest rates. Outstanding as of December 31, 2019 is MAD 4 billion.

• In December 2019, OCP SA concluded a loan for a total amount of MAD 1.25 billion at a fixed interest rate. The line at December 31, 2019 of this line is MAD 600 million.

• In December 2019, OCP SA concluded a loan for a total amount of MAD 3.3 billion at a fixed interest rate. The amount Outstanding at December 31, 2019 of this line is MAD 1.6 billion.

10.1.3 ANALYSIS OF FINANCIAL ASSETS

10.1.3.1 CASH AND CASH EQUIVALENT

(In millions of dirhams)	31 December 2019	31 December 2018
Cash	2,848	3,252
Cash equivalents	10,639	13,889
Total cash and cash equivalents	**13,487**	**17,141**
Bank (credit balances)	4	1
Cash and cash equivalents in the consolidated statement of Cash Flows	**13,483**	**17,140**

10.1.3.2 CASH MANAGEMENT FINANCIAL ASSETS

(In millions of dirhams)	31 December 2019	31 December 2018
Cash financial assets	573	5,654
Total	**573**	**5,654**

Cash management financial assets include mainly term deposits with a maturity more than three months contracted mostly by OCP SA for MAD 500 million as at 31 December 2019 versus MAD 5.6 billion as at 31 December 2018.

10.1.3.3 MATURITIES AND FAIR VALUE OF FINANCIAL CASH ASSETS

Financial cash assets maturities

The investment portfolio must remain sufficiently liquid to respond to the financing needs generated by the Group's operations and investment.
As such, assets portfolio is composed of a very short-term and liquid instruments providing for daily operating needs, and short-term instruments in order to improve yields and be in line with targets.

(In millions of dirhams)	0-3 months	3-6 months	6-12 months	>1 year	Total
Money market funds	6,978				6,978
Term deposit	3,500	733			4,233
Total	**10,478**	**733**			**11,212**

10.1.4 ANALYSIS OF NET DEBT

(In millions of dirhams)	31 December 2019	31 December 2018
Financial credits	26,646	25,726
Bonds	26,840	26,718
Other loans and assimilated debts	3,934	4,579
Bank overdrafts	10	1
Gross financial and bond debt	**57,430**	**57,023**
Cash equivalents	10,639	13,889
Cash	2,848	3,252
Financial assets for cash management	573	5,654
Financial assets	**14,060**	**22,795**
Net financial and bond debt	**43,370**	**34,228**
Financial debts from IFRS 16 leases	2,129	578
Financial debts resulting from Murabaha		387
Other Financial debts	**2,129**	**965**
Total financial debt	**45,499**	**35,193**

10.1.5 COST OF NET DEBT

The cost of net debt can be broken down as follows:

(In millions of dirhams)	FY2019	FY2018
Interest expenses	(1,988)	(1,865)
Cost of gross financial debt	**(1,988)**	**(1,865)**
Financial income from cash investments	191	122
Other financial income	286	177
Financial income from cash investments	**477**	**299**
Cost of net financial debt	**(1,511)**	**(1,567)**

10.2 OTHER FINANCIAL ASSETS

10.2.1 DEFINITIONS AND ACCOUNTING TREATMENT

Other financial assets

Other financial assets are classified as “Financial assets revalued at fair value by equity” and mainly include non-consolidated equity securities. The Group has chosen to measure its assets at fair value versus non-recyclable equity.

Other financial income and expenses

Other financial income and expenses primarily include income from loans and receivables calculated using the effective interest rate method, dividends from non-consolidated entities, exchange gains and losses on financing operations, accretion of provisions and of receivables and payables, impairment losses and income relating to financial assets.

10.2.2 NON-CURRENT FINANCIAL ASSETS

(In millions of dirhams)	31 December 2019			31 December 2018		
	Gross	Revaluation	Net	Gross	Revaluation	Net
Financial assets at fair value by OCI	1,103	(564)	539	1,020	(612)	408
Financial assetsat fair value through profit or loss	27		27	27		27
Receivables from fixed assets disposals	39	(5)	35	34	(5)	30
Other financial receivables	420	(1)	419	407	(1)	407
Total non-current financial assets	**1,589**	**(568)**	**1,020**	**1,489**	**(617)**	**872**

Financial assets revalued at fair value through equity correspond to non-consolidated securities held by OCP.SA and its subsidiaries, notably OCP International.

The revaluation mainly concerns the depreciation of Heringer shares following its financial difficulties.

10.2.3 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses are as follows:

(In millions of dirhams)	*FY2019*	*FY2018*
Exchange income from financing operations	50	(412)
Receivable discount relating to VAT credit	(97)	(1,321)
Other	(64)	(4)
Other financial income and expenses	**(110)**	**(1,737)**

The net foreign exchange result on borrowings amounted to MAD 50 million, for 2019, explained by the stagnation of the MAD / $ exchange rates between December 31, 2018 and December 31, 2019.

The exchange loss was limited by the establishment of an accounting hedging relationship as of September 1, 2018 (see Note 4.1.3 Management of exchange risk and credit risks.

As a reminder, the exchange result MAD -412 million in December 2018 due to the increase in the MAD / $ exchange rate from 9.33 on December 2017 to 9.56 on December 2018.

Moreover, the discount on debt relating to the financing agreement for the VAT credit generated in fiscal year 2019 a net financial charge of MAD 97 million.

10.3 WEIGHT OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

10.3.1 WEIGHT OF FINANCIAL INSTRUMENTS

In accordance with IFRS 7, "Financial instruments: Disclosures", fair value measurements must be classed according to a hierarchy based on the input used to measure the fair value of the instrument which includes the following three levels:

- **Level 1:** the use of quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** the use of quoted market prices in active markets for similar assets or liabilities or measurement techniques where the relevant inputs are based on observable market data;
- **Level 3:** the use of measurement techniques where the relevant inputs are not all based on observable market data.

(In millions of dirhams)	*At 31 December 2019*					*At 31 December 2018*				
Balance sheet captions and instrument classes	*Carrying value*	*Fair value*	*Level 1 : quoted prices and available funds*	*Level 2 : internal model with observable inputs*	*Level 3 : internal model with unobservable inputs*	*Carrying value*	*Fair value*	*Level 1 : quoted prices and available funds*	*Level 2 : internal model with observable inputs*	*Level 3 : internal model with unobservable inputs*
Cash and cash equivalents	13 487	13 487	13 487			17 141	17 141	17 141		
Cash financial assets	573	573		573		5 654	5 654		5 654	
Available-for-sale financial assets	539	539			539	408	408			408
Financial assets measured at fair value through P&L	27	27			27	27	27			27
Total financial assets	**14 627**	**14 626**	**13 487**	**573**	**566**	**23 230**	**23 230**	**17 141**	**5 654**	**436**
Current loans and financial debts	7 267	7 267		7 267		7 123	7 123		7 123	
Non-current loans and financial debts	52 292	57 828	29 969	27 859		50 864	53 326	28 783	24 543	
Total financial liabilities	**59 559**	**65 095**	**29 969**	**35 126**		**57 988**	**60 450**	**28 783**	**31 666**	

10.3.2 RISK MANAGEMENT

10.3.2.1 CERTAIN CONTRACTUAL PROVISIONS AND TERMS OF THE DEBT

The Group's financing agreements contain standard market terms including the commitment to have at least an «Investment Grade» rating. This commitment must be respected for 6 institutions: KFW, European Investment Bank, French Development Agency, Islamic Development Bank, African Development Bank.

10.3.2.2 CASH RESERVES

To meet its commitments, OCP Group also has potential cash reserves in the form of overdraft facilities and Documentary Credits, accompanied by guarantees granted to Group entities. These reserves represent a total of MAD 3.6 billion, activated without prior authorization in case of Short position on the Cash.

Moreover, the multi entities cash pooling mechanism implemented in 2015 allows a particular operational flexibility in managing cash and achieving loans- borrowings between centralized / centralizing entities. This mechanism is based on the indirect ZBA (Zero Balancing Account) mode that allows viewing on a single account overall cash position of the entities that are included in the cash pooling.
The Group also has the ability to turn with the Moroccan partner banks, the discount mechanism without recourse of trade receivables held by OCP on some of its customers.

10.3.2.3 COMMITMENTS RECEIVED

(In millions of dirhams)	*31 December 2019*	*31 December 2018*
Unused borrowings	8,705	3,097
Other commitments received for contracts	9,624	6,954
Loans guaranteed by the State	368	440
Total Commitments received	**18,697**	**10,492**

"Other commitments received for contracts" concern commitments received from suppliers relating to advances paid within the context of the industrial programs undertaken by the Group. The analysis of the loans guaranteed by the state are presented in Note 13 «Relations with the State».

10.3.2.4 COUNTERPARTY RISK MANAGEMENT

Capital security is a fundamental principle of the Group's investment policy. Cash surpluses are invested at an accepted level of risk, with high-quality counterparties

In this respect, the Trading Room acts in compliance with the following rules and procedures:

Pre-qualifying counterparties:

Pre-qualifying bank counterparties, issuers of debt, management companies and mutual funds with which OCP Group is exposed directly or indirectly

The Trading Room is authorized to deal with bank counterparties withe a higher rating than the minimum rating required of three notches below the S&P and Fitch ratings for the Moroccan debt.

As for Debt issuers, the Trading Room is authorized to deal with debt issuers if the following conditions are met:

- State Treasury issue: treasury bills with a residual maturity less than or equal to two years. Derogations may be granted by the Management Committee for any other maturities on a case-by-case basis;
- Private debt issue other than with bank counterparties: any subscription must be validated by the Management Committee on a case-by-case basis

Finally, the prequalification of OPCVM consists of the following two stages:

- Choice of the asset manager company: the asset manager must have a minimum rating of M2 according to the Fitch scale ;
- Choice of the OPCVM: the investment mainly concerns low-sensitivity, fairly liquid OPCVM in order to allow the Group to manage its liquidity under the best conditions.

Diversifying the counterparties

Diversifying the counterparties to which OCP Group is exposed in accordance with prudential rules defined internally.

Fixing limits by type of instruments held by counterparties

Outstanding direct investment with a bank counterparty is classified by instrument type and is limited according to the credit standard of the said counterparty. These limits fix:

- The maximum outstanding amount authorized with an OPCVM as a percentage of equity.
- The outstanding amount with a counterparty by instrument type which must not exceed the Group's total outstanding amount invested directly in this type of instrument.
- The outstanding amount with a counterparty by instrument type which must not exceed a percentage of the counterparty's total outstanding amount in this type of instrument.

Otherwise, the outstanding amount with an OPCVM is limited according to the credit rating of asset manager and the OPCVM. These limits fix the maximum outstanding amount authorized with a OPCVM as a percentage of net assets and the maximum outstanding amount authorized with the Asset manager.

Any exception to the rules above is subject to validation by the Executive Committee.

10.3.2.5 LIQUIDITY RISK

The investment portfolio must remain sufficiently liquid to respond to the financing needs generated by the Group's operations and investment. In fact, it must be composed of liquid, flexible and available instruments.

The breakdown of assets invested between the investment portfolios is based on cash flow forecasts and is as follows:

- Very short-term, liquid instruments, providing for daily operating needs.
- Short-term instruments, in conformity with counterparty risk management, generating a yield which is in line with the yield objectives of the investment policy.

Note 11 – Corporate Income taxes

11.1 ACCOUNTING TREATMENT OF INCOME TAXES

Corporate Income tax include the current tax expense (or income) and the deferred tax expense (or income). Tax is recognized in profit or loss, unless it relates to items that are recognized directly in equity, in which case it is recognized in equity. The tax rates used are those that have been enacted or substantially enacted as of the closing date.

Deferred tax is determined according to the balance sheet approach. The Group applies the liability method. OCP Group recognizes deferred tax for all temporary differences that exist between the tax bases and the carrying amounts of the assets and liabilities in the balance sheet except for goodwill.

Tax assets relating to temporary differences, net of chargeable deferred tax liabilities, and loss carry-forwards are only recognized if it is probable that a likely future profit, determined with sufficient precision, will be generated by the taxable entity.

A Group entity shall offset current tax assets and current tax liabilities if, and only if, the entity:
- Has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities, whatever their maturity, must be offset when they are levied by the same tax authority and concern the same taxable entity that has the right to set off current tax assets against current tax liabilities.

11.2 ANALYSIS OF TAX EXPENSE

(In millions of dirhams)	*FY2019*	*FY2018*
Current tax expense/current tax income	(1,502)	(1,071)
Deferred tax expense/deferred tax income	(223)	(29)
Corporate income tax	**(1,725)**	**(1,100)**

11.3 RECONCILIATION BETWEEN THE TOTAL TAX EXPENSE AND THE THEORETICAL TAX EXPENSE

(In millions of dirhams)	*FY2019*	*FY2018*
+Net income - Group share	2,843	5,425
+Net income - Minorities' share	173	178
-Share of profit (loss) of equity-accounted companies	(360)	(399)
+/-Tax for the period	1,725	1,100
Consolidated accounting income before tax	**4,381**	**6302**
+/- Permanent differences*	1,208	136
= Consolidated taxable income	**5,589**	**6,438**
Theorical tax rate	22,50 %	21,11 %
=Theoretical tax **	**(1,257)**	**(1,359)**
Tax losses		45
Difference in tax rate in relation to OCP S.A	(574)	77
Prior years' income taxes	113	53
Other items	(7)	85
= Corporate income tax	**(1,725)**	**(1,100)**
including		
current tax	*(1,502)*	*(1,071)*
deferred tax	*(223)*	*(29)*

(*)The main permanent differences are the previous exercises' expenses, tax control expenses subsidies and non-deductible donations and income equity.

(**)The theoretical tax rate takes into account local sales taxed at 30 % and export sales realized in foreign currency taxed at 17.5 %

11.4 DEFERRED TAX ASSETS AND LIABILITIES

The trend in deferred tax assets and liabilities is as follows:

(In millions of dirhams)	*31 December 2018*	*Activity changes in income*	*Change in consolidation scope*	*31 December 2019*
Gross deferred tax assets	16	63		79
Unrecognized deferred tax assets				
Net deferred tax assets	**16**	**63**		**79**
Deferred tax liabilities	**993**	**39**		**1 031**

The breakdown by type of deferred tax asset and liability is as follows:

(In millions of dirhams)	*31 December 2019*	*31 December 2018*
Temporary differences	1 323	903
Eliminations of intercompany transactions	632	500
Intangible assets	(348)	(179)
Tangible assets	20	13
Financial assets at fair value by P&L	49	49
Other asset items	5	(16)
Provisions for employee benefits	1 617	1 617
Other provisions	664	664
Tax loss carryforwards	73	9
Offsetting	(3 956)	(3 545)
Total deferred tax assets	**79**	**16**

(In millions of dirhams)	*31 December 2019*	*31 December 2018*
Temporary differences	3	3
Eliminations of intercompany transactions	(223)	
Intangible assets	109	81
Tangible assets	4,659	4,027
Financial assets at fair value by P&L	49	49
Inventories	399	399
Other assets items	(238)	(332)
Other provisions	93	127
Tax loss carryforwards	(91)	(43)
Other	228	226
Offsetting	(3,956)	(3,545)
Total deferred tax liabilities	**1,031**	**993**

Note 12 – Equity, perpetual subordinated debt, dividends and earnings per share

12.1 ISSUED CAPITAL

As at 31 December 2019, the share capital amounts to MAD 8,288 million. It is composed of 82,875,000 shares with a nominal value of MAD100. 729,300 OCP shares are held by its subsidiary SADV.

(In number of shares)	*Ordinary shares*
Outstanding at 1 January 2019	**82,875,000**
Issues of shares for cash in FY2019	
Outstanding at 31 December 2019	**82,875,000**
Nominal value	**100 Dirhams**

12.2 PERPETUAL SUBORDINATED DEBT

OCP Group closed on May 4th, 2018, a perpetual subordinated bond issue with early repayment and deferred payment options in the amount of MAD 5 billion. This issue by Public offering concerns the issue of 50,000 perpetual subordinated bonds with a nominal value of 100,000 dirhams each.

This transaction enables OCP Group to diversify its sources of financing within the framework of its investment plan to 2025 and is part of the strategy to consolidate its position as world leader. This operation also strengthens the Group's financial structure and supports its transformation while strengthening its credit ratios.

The issue is not rated in accordance with IFRS 9 and considering its characteristics, this instrument is accounted for in equity.

The coupon cost attributable to holders of super-subordinated securities amounted to MAD 414 million in 2019 compared with MAD 328 million in 2018.

12.3 DIVIDENDS

The MAD 3,346 billion in dividends paid in respect of FY2019 correspond to a net dividend per share of MAD 40.73.

	31 December 2019	*31 December 2018*
Amount of dividends (in millions of dirhams)	3,346	2,478
Dividend per share (in dirhams)	40.73	30.17

12.4 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent company, OCP SA, by the weighted average number of ordinary shares outstanding excluding treasury stock.

	FY2019	*FY2018*
Net profit, Group share (in millions of dirhams)*	**2,428**	**5,097**
Average number of shares in circulation as at 31 December	82,875,000	82,875,000
Average number of own shares in circulation during the period	729,300	729,300
Number of shares used for the calculation of income	**82,145,700**	**82,145,700**
Basic and diluted net earnings per share (in dirhams)	**29.56**	**62.04**

* In accordance with IAS 33.19 and 12, adjusted net profit includes the cost of the coupon attributable to holders of subordinated shares issued by the OCP Group (MAD -414 million).

Note 13 – Relations with the State

The Moroccan State is the majority shareholder of OCP with a 94.12 % stake. As such, the State receives annual dividends in accordance with the company's dividend distribution policy. The dividends to be paid are proposed by the Board of Directors to the General Meeting of Shareholders. Their amount depends on several parameters, in particular the profits made, cash available and the company's financial structure, as well as other factors that the Board of Directors may consider to be relevant.

In 2019, the Moroccan State received dividends net of taxes amounting to MAD 3.35 billion in respect of the distributable profit for financial year 2018.

OCP has been a Société Anonyme (public limited liability company) since March 2008. Prior to that date, OCP, as a public enterprise, benefited from the State guarantee for loans taken out with foreign organizations.

Loan subject	Loan currency	Date of loan	Amount in millions of dirhams as of 31 December 2019	Amount in millions of dirhams as of 31 December 2 018
AFD outstanding loans consolidation	EUR	2005	279	313
Sidi Chennane mining operations	EUR	2002	82	117
Renewal of the sulphur unit circulation tank and supply circuit	EUR	2007	6	7
Renewal of three absorption towers	EUR	2003		
Acquisition of two hydraulic excavators	EUR	2001	1	2
TOTAL	**EUR**		**368**	**440**

In the same way as all companies resident in Morocco, OCP is subject to the tax legislation in force, which requires the payment of duties, taxes and levies to the Moroccan State.

The following table shows the transactions performed with the State or with State-controlled companies for 2018 and 2019:

(In millions of dirhams)	31 December 2019		31 December 2018	
	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP
Interest on investments	84	63	64	55
Utility costs	1,014		1,382	
Other operating expenses	272		281	
Interest on loans	20	101	9	83
Social charges	538		503	
Transport expenses ONCF	962		1,088	
Subscription ONCF / lump-sum contributions	400		400	
Assets and inventories purchases	95		50	

(In millions of dirhams)	31 December 2019		31 December 2018	
	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP
Trade payables	531		581	
Other receivables	708		911	
Cash and cash equivalents	382	2,365	2,716	1,841
Investments	2,000		3,846	3,560
Loans	807	4,635	872	4,111

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RESUME DU RAPPORT D'AUDIT SUR LES ETATS FINANCIERS CONSOLIDES
EXERCICE DU 1er JANVIER AU 31 DECEMBRE 2019

Nous avons effectué l'audit des états financiers consolidés ci-joints de la société OCP S.A., et de ses filiales (Groupe OCP), comprenant l'état de la situation financière consolidée au 31 décembre 2019, le compte de résultat consolidé et l'état du résultat global consolidé, l'état de variation des capitaux propres consolidés et l'état consolidé des flux de trésorerie pour l'exercice clos à cette date, et des annexes aux comptes consolidés contenant un résumé des principales méthodes comptables et d'autres notes explicatives. Ces états financiers consolidés font ressortir un montant de capitaux propres consolidés de MMAD 78.627 dont un bénéfice net consolidé de MMAD 3.016.

La direction est responsable de l'établissement et de la présentation sincère de ces états financiers, conformément au référentiel IFRS tel qu'adopté dans l'Union Européenne.

Notre responsabilité est d'exprimer une opinion sur ces états financiers sur la base de notre audit. Nous avons effectué notre audit selon les Normes de la Profession au Maroc.

A notre avis, les états financiers consolidés présentent sincèrement, dans tous leurs aspects significatifs, la situation financière de l'ensemble constitué par les entités comprises dans la consolidation au 31 décembre 2019, ainsi que sa performance financière et ses flux de trésorerie pour l'exercice clos à cette date, conformément au référentiel IFRS tel qu'adopté dans l'Union Européenne.

Casablanca, le 26 mars 2020

Les Auditeurs Contractuels

ERNST & YOUNG	**DELOITTE AUDIT**
ERNST & YOUNG	
Bachir TAZI	**Sakina BENSOUDA KORACHI**
Associé	**Associée**

Exhibit II-19

Department of the Treasury
Internal Revenue Service

Publication 946

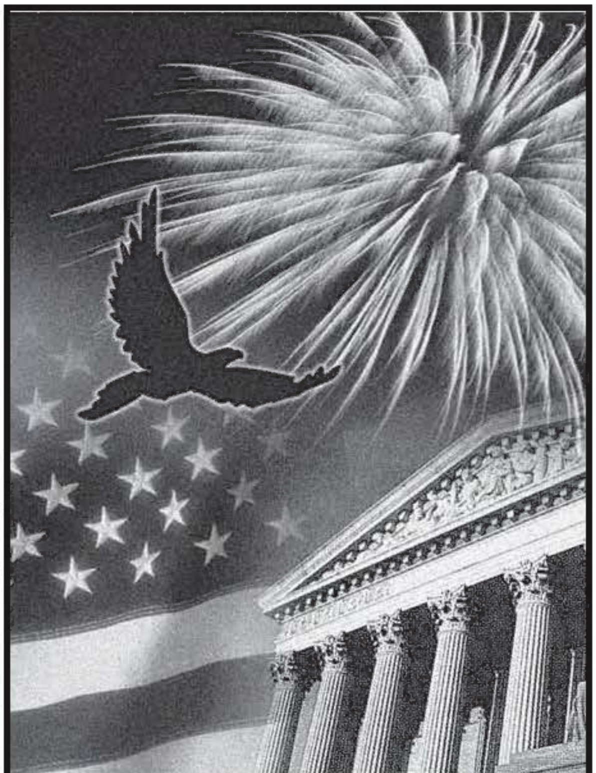
Cat. No. 13081F

How To Depreciate Property

- **Section 179 Deduction**
- **Special Depreciation Allowance**
- **MACRS**
- **Listed Property**

For use in preparing

2019 Returns



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Mar 23, 2020

Contents

Appendix B — Table of Class Lives and Recovery Periods

The *Table of Class Lives and Recovery Periods* has two sections. The first section, *Specific Depreciable Assets Used In All Business Activities, Except As Noted,* generally lists assets used in all business activities. It is shown as Table B-1. The second section, *Depreciable Assets Used In The Following Activities,* describes assets used only in certain activities. It is shown as Table B-2.

How To Use the Tables

You will need to look at both Table B-1 and B-2 to find the correct recovery period. Generally, if the property is listed in Table B-1 you use the recovery period shown in that table. However, if the property is specifically listed in Table B-2 under the type of activity in which it is used, you use the recovery period listed under the activity in that table. Use the tables in the order shown below to determine the recovery period of your depreciable property.

Table B-1. Check Table B-1 for a description of the property. If it is described in Table B-1, also check Table B-2 to find the activity in which the property is being used. If the activity is described in Table B-2, read the text (if any) under the title to determine if the property is specifically included in that asset class. If it is, use the recovery period shown in the appropriate column of Table B-2 following the description of the activity. If the activity is not described in Table B-2 or if the activity is described but the property either is not specifically included in or is specifically excluded from that asset class, then use the recovery period shown in the appropriate column following the description of the property in Table B-1.

Tax-exempt use property subject to a lease. The recovery period for ADS cannot be less than 125% of the lease term for any property leased under a leasing arrangement to a tax-exempt organization, governmental unit, or foreign person or entity (other than a partnership).

Table B-2. If the property is not listed in Table B-1, check Table B-2 to find the activity in which the property is being used and use the recovery period shown in the appropriate column following the description.

Property not in either table. If the activity or the property is not included in either table, check the end of Table B-2 to find *Certain Property for Which Recovery Periods Assigned.* This property generally has a recovery period of 7 years for GDS or 12 years for ADS. See Which Property Class Applies Under GDS and *Which Recovery Period Applies* in chapter 4 for the class lives or the recovery periods for GDS and ADS for the following.

- Residential rental property and nonresidential real property (also see Appendix A, Chart 2).
- Qualified rent-to-own property.
- A motorsport entertainment complex placed in service before January 1, 2021.
- Any retail motor fuels outlet.
- Initial clearing and grading land improvements for gas utility property and electric utility transmission and distribution plants.
- Any water utility property.
- Certain electric transmission property used in the transmission at 69 or more kilovolts of electricity for sale and placed in service after April 11, 2005.
- Natural gas gathering and distribution lines placed in service after April 11, 2005.

Example 1. Richard Green is a paper manufacturer. During the year, he made substantial improvements to the land on which his paper plant is located. He checks Table B-1 and finds land improvements under asset class 00.3. He then checks Table B-2 and finds his activity, paper manufacturing, under asset class 26.1, *Manufacture of Pulp and Paper.* He uses the recovery period under this asset class because it specifically includes land improvements. The land improvements have a 13-year class life and a 7-year recovery period for GDS. If he elects to use ADS, the recovery period is 13 years. If Richard only looked at Table B-1, he would select asset class 00.3, *Land Improvements*, and incorrectly use a recovery period of 15 years for GDS or 20 years for ADS.

Example 2. Sam Plower produces rubber products. During the year, he made substantial improvements to the land on which his rubber plant is located. He checks Table B-1 and finds land improvements under asset class 00.3. He then checks Table B-2 and finds his activity, producing rubber products, under asset class 30.1, *Manufacture of Rubber Products.* Reading the headings and descriptions under asset class 30.1, Sam finds that it does not include land improvements. Therefore, Sam uses the recovery period under asset class 00.3. The land improvements have a 20-year class life and a 15-year recovery period for GDS. If he elects to use ADS, the recovery period is 20 years.

Example 3. Pam Martin owns a retail clothing store. During the year, she purchased a desk and a cash register for use in her business. She checks Table B-1 and finds office furniture under asset class 00.11. Cash registers are not listed in any of the asset classes in Table B-1. She then checks Table B-2 and finds her activity, retail store, under asset class 57.0, *Distributive Trades and Services,* which includes ***assets used in wholesale and retail trade***. This asset class does not specifically list office furniture or a cash register. She looks back at Table B-1 and uses asset class 00.11 for the desk. The desk has a 10-year class life and a 7-year recovery period for GDS. If she elects to use ADS, the recovery period is 10 years. For the cash register, she uses asset class 57.0 because cash registers are not listed in Table B-1 but it is an ***asset*** used in her retail business. The cash register has a 9-year class life and a 5-year recovery period for GDS. If she elects to use the ADS method, the recovery period is 9 years.

■

Table B-2. **Table of Class Lives and Recovery Periods**

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years) GDS (MACRS)	ADS
	DEPRECIABLE ASSETS USED IN THE FOLLOWING ACTIVITIES:			
01.1	**Agriculture:** Includes machinery and equipment, grain bins, and fences but no other land improvements, that are used in the production of crops or plants, vines, and trees; livestock; the operation of farm dairies, nurseries, greenhouses, sod farms, mushroom cellars, cranberry bogs, apiaries, and fur farms; the performance of agriculture, animal husbandry, and horticultural services.	10	7	10
01.11	**Cotton Ginning Assets**	12	7	12
01.21	**Cattle, Breeding or Dairy**	7	5	7
01.221	**Any breeding or work horse that is 12 years old or less at the time it is placed in service****	10	7	10
01.222	**Any breeding or work horse that is more than 12 years old at the time it is placed in service****	10	3	10
01.223	**Any race horse that is more than 2 years old at the time it is placed in service****	*	3	12
01.224	**Any horse that is more than 12 years old at the time it is placed in service and that is neither a race horse nor a horse described in class 01.222****	*	3	12
01.225	**Any horse not described in classes 01.221, 01.222, 01.223, or 01.224**	*	7	12
01.23	**Hogs, Breeding**	3	3	3
01.24	**Sheep and Goats, Breeding**	5	5	5
01.3	**Farm buildings except structures included in Class 01.4**	25	20	25
01.4	**Single purpose agricultural or horticultural structures (within the meaning of section 168(i)(13) of the Code)**	15	10***	15
10.0	**Mining:** Includes assets used in the mining and quarrying of metallic and nonmetallic minerals (including sand, gravel, stone, and clay) and the milling, beneficiation and other primary preparation of such materials.	10	7	10
13.0	**Offshore Drilling:** Includes assets used in offshore drilling for oil and gas such as floating, self-propelled and other drilling vessels, barges, platforms, and drilling equipment and support vessels such as tenders, barges, towboats and crewboats. Excludes oil and gas production assets.	7.5	5	7.5
13.1	**Drilling of Oil and Gas Wells:** Includes assets used in the drilling of onshore oil and gas wells and the provision of geophysical and other exploration services; and the provision of such oil and gas field services as chemical treatment, plugging and abandoning of wells and cementing or perforating well casings. Does not include assets used in the performance of any of these activities and services by integrated petroleum and natural gas producers for their own account.	6	5	6
13.2	**Exploration for and Production of Petroleum and Natural Gas Deposits:** Includes assets used by petroleum and natural gas producers for drilling of wells and production of petroleum and natural gas, including gathering pipelines and related storage facilities. Also includes petroleum and natural gas offshore transportation facilities used by producers and others consisting of platforms (other than drilling platforms classified in Class 13.0), compression or pumping equipment, and gathering and transmission lines to the first onshore transshipment facility. The assets used in the first onshore transshipment facility are also included and consist of separation equipment (used for separation of natural gas, liquids, and in Class 49.23), and liquid holding or storage facilities (other than those classified in Class 49.25). Does not include support vessels.	14	7	14
13.3	**Petroleum Refining:** Includes assets used for the distillation, fractionation, and catalytic cracking of crude petroleum into gasoline and its other components.	16	10	16
15.0	**Construction:** Includes assets used in construction by general building, special trade, heavy and marine construction contractors, operative and investment builders, real estate subdividers and developers, and others except railroads.	6	5	6
20.1	**Manufacture of Grain and Grain Mill Products:** Includes assets used in the production of flours, cereals, livestock feeds, and other grain and grain mill products.	17	10	17
20.2	**Manufacture of Sugar and Sugar Products:** Includes assets used in the production of raw sugar, syrup, or finished sugar from sugar cane or sugar beets.	18	10	18
20.3	**Manufacture of Vegetable Oils and Vegetable Oil Products:** Includes assets used in the production of oil from vegetable materials and the manufacture of related vegetable oil products.	18	10	18
20.4	**Manufacture of Other Food and Kindred Products:** Includes assets used in the production of foods and beverages not included in classes 20.1, 20.2 and 20.3.	12	7	12
20.5	**Manufacture of Food and Beverages—Special Handling Devices:** Includes assets defined as specialized materials handling devices such as returnable pallets, palletized containers, and fish processing equipment including boxes, baskets, carts, and flaking trays used in activities as defined in classes 20.1, 20.2, 20.3 and 20.4. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	4	3	4

* Property described in asset classes 01.223, 01.224, and 01.225 are assigned recovery periods but have no class lives.
** A horse is more than 2 (or 12) years old after the day that is 24 (or 144) months after its actual birthdate.
*** 7 if property was placed in service before 1989.

Exhibit II-20

USAID
FROM THE AMERICAN PEOPLE

USAID COUNTRY PROFILE

PROPERTY RIGHTS AND RESOURCE GOVERNANCE

MOROCCO

OVERVIEW

Morocco's economic performance has steadily raised living standards over the past several decades. In spite of this sustained growth, rural poverty and vulnerability persist. Moroccan agriculture continues to be one of the least productive in the region. About half of the country's labor force is employed in agriculture, but the sector produces only 16% of GDP. In order to reduce rural poverty and grow faster and more sustainably, the country must increase the productivity of agriculture. A significant aspect of transforming agriculture is developing more effective policies and programs to make better use of the country's land, water, forests and the rural labor force.

Land and natural resource issues facing Morocco include: (1) lack of comprehensive policies governing land, water, forests and mineral resources; (2) underdeveloped legal frameworks and limited, ambiguous formal laws governing land and other natural resources; (3) a limited rural land market; (4) limited water; (5) undeveloped programs for participatory forest management; and (6) slow progress on women's rights of access to and control over land and natural resources. In recent years, the government of Morocco has initiated several large programs to address some of these issues, including improving agricultural productivity through expansion of irrigated land and development of water-delivery infrastructure. In contrast to its success in program implementation, the government appears to have been less effective in developing the policy frameworks necessary to build effective natural-resource governance bodies and institutions. In the area of women's rights, the government succeeded in enacting the relatively progressive Family Code, but the law has not had the desired positive impact on women's daily lives.

KEY ISSUES AND INTERVENTION CONSTRAINTS

- **Land policy development.** Morocco has a long history of legal pluralism. Parallel systems of customary and formal law, informal and formal land-administration systems, land markets, and dispute-resolution tribunals operate; their effectiveness and efficiency is undermined by their plurality. With the support of donors, the government is implementing its ambitious Green Morocco Plan (*Plan Maroc Vert*), a series of programs designed to improve agricultural productivity by modernizing the sector and supporting new investment. The plan's achievements may be limited by the often ambiguous legal environment and well-intentioned efforts to bring legal certainty through land privatization and registration programs. Such efforts may be useful components of an overall plan of growth and poverty- alleviation; however, absent a governing legal framework, including a land policy that recognizes the range of various rights and interests, there is a danger that the rights of marginalized groups may be lost or undervalued, and that piecemeal efforts to address gaps and weaknesses in the existing systems will not combine to create the type of overarching, integrated framework needed to support Morocco's growth and development in the decades ahead. *USAID and other donors with experience developing policies could support government efforts in considering how best to meet the country's need for a single legal framework governing land rights and provide technical assistance, especially in the areas of: (1) harmonizing principles of religious, customary and civil law; (2) integrating communal and private land rights; and (3) developing a rangeland management and use policy.*

- **Forest and rangeland watershed management**. With the support of donors, the government has undertaken a variety of watershed management programs in cropping areas. Rangeland ecosystems, which help reduce flooding and runoff

The European Commission (EC) has been supporting the government in the implementation of its Moroccan High Commission for Water, Forests and Combating Desertification plan. The EUR €24 million Participatory Development of Forest Areas of Chefchaouen Province Project was implemented in the 1999–2008 period. Forest cover in the area suffered from severe degradation due to excessive exploitation of natural resources and illegal cultivation of cannabis. The project: supported several income-generating activities for the local population; helped establish the Talassemtane National Park; developed tourism activities; created a rural women's center; and conducted forest inventories (Ecodit 2008; Europa Jaratuna 2009).

In June 2010, the FAO and the Government of Morocco signed an agreement under which the FAO will provide technical assistance to support the government's forest preservation program. The agreement will run through 2014 and is valued at US $994,000 (*Morocco Business News* 2010).

4. MINERALS

RESOURCE QUANTITY, QUALITY, USE AND DISTRIBUTION

Morocco has an estimated 70–75% of the world's reserves of phosphates and is the world's third-largest phosphate producer (after the US and China). The country also produces about 6% of the world's production of barite and 2% of the global production of cobalt. Morocco also produces copper, fluorspar, iron ore, lead, manganese, salt, silver and zinc. Mineral deposits are primarily located in the Atlas and Rif mountains, the Atlantic shore, and the eastern and southeastern regions. To date, Morocco's natural gas and petroleum reserves appear to be relatively small, but exploration is ongoing. The mining sector accounted for 7.3% of GDP in 2008 and employed about 37,000 people (Newman 2010; *Business Monitor International* 2010; *African Economic Outlook* 2010).

Ninety-five percent of Morocco's mineral sector is phosphate production. The state-owned phosphates producer, *Office Chérifien des Phosphates* (OCP), is responsible for the bulk of both mined ore and derivative products output. The world phosphate market experienced a precipitous 74% fall in the first half of 2009 but recovered sufficiently to support continued growth in the sector. The outlook is for moderate sector growth over the next decade (*African Economic Outlook* 2010 ; Mbendi 2010).

The largest private mining company in Morocco is ONA (*Omnium Nord Africain*), which dominates the metallic mineral mining subsector. As the state has privatized its mining operations over the last few years, ONA has acquired a substantial percentage of state assets (Mbendi 2010).

Morocco has between 12,000 and 15,000 small-scale and artisanal miners working in operations that produce less than 5000 tons of marketable products annually. Small-scale mines provide about 40% of domestic production. A large number of small miners work in the 1600 lead and zinc mines in the dry Tafilalet and Figuig region in southeastern Morocco. Most miners lead nomadic lives, working in a succession of mines and living in tents close to active mining sites. The government helped form *La Centrale d'Achat et de Développement de la Région Minière de Tafilalet et de Figuig* (CADETAF) to promote and support the interests of artisanal miners in those regions (ILO 1999; World Bank 2000; Mbendi 2010; GOM 2008).

Coastal sand-mining operations in Morocco are among the world's largest. The extraction of sand and destruction of dunes has created lunar-like landscapes on the coast, destroyed the littoral marine ecosystem, and is endangering adjacent wetlands. Mining operations also increase the vulnerability of coastal infrastructure to storms and rising sea-levels and reduce the value of the beaches for tourist facilities (Pilkey et al. 2007).

LEGAL FRAMEWORK

Morocco's primary sector legislation is the Mining Law of 1951, the 1957 Mining Regulations, and the Mining Code Bill No. 1-73-412 of 12 August 1973. A 1960 decree regulates small-scale mining in the Tafilalet and Figuig region. The legal framework provides that all minerals are the property of the state. Rights to explore for and exploit minerals are granted by permit and license and are subject to the regulations imposed and enforced by the state. Regulations are designed to ensure that the country's minerals are developed in a rational and profitable fashion. The state may designate certain areas for exploitation by small-scale and artisanal miners. The right to exploit a mineral deposit is generally granted on a "first-come, first-served" basis, although the state maintains a monopoly on phosphate production (GOM Mining Law 1951; GOM Mining Regulations 1957; Newman 2010).

Exhibit II-21

Publications

Mining in Morocco: a legal snapshot

Mining Updates

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13 JUL 2017

By:

While the mining industry already plays an important role in Morocco's economy, representing 25 percent of its exports, the national development strategy set out some lofty goals which include tripling non-phosphate revenues by the year 2025 and doubling jobs in the sector to over 30,000.

Morocco holds three quarters of global phosphate reserves, and so the export of phosphate products has traditionally dominated its mining industry, comprising up to 90 percent of mining exports. Other minerals reserves abound (including lead, zinc, copper, manganese, gold, silver, iron ore and barite), but have remained largely underground, due partly to a mining code which failed to encourage investment and partly to the success of the phosphate market which left them in its shadows.

In order to attract investment for the development of all its mineral treasures, Morocco is making great strides in modernizing its mining sector, including the recent introduction of a new mining code.

A new mining code

For over 60 years the mining sector was governed by the mining code of 1951, which had long ago become obsolete. Its overhaul came about through the introduction of a new mining code, following the enactment of Law 33.13 of July 2015 and its implementation decree in April 2016.

The new mining code introduces new types of mining authorizations, increases the term of a mining license to ten years and now covers all mineral substances with the exception of phosphates (reserved for the State) and construction materials.

Mining concessions granted under the old code remain valid and governed by the laws in force on the date they were granted, however, one year before expiry they must be replaced with a mining license issued under the new code. Holders of existing research permits were required to renew their permits within one year following the introduction of the new code, however, this period has since been extended to August 2017. Failure to comply with these requirements will lead to revocation of the mining title.

Exploration and mining operations

The new code allows for three types of mining rights within a specified area:

1. An **exploration authorization**, granted for two years and renewable once for two years over areas of 100 to 600 km2. Applicants must enter into a contract with the mining administration detailing the planned exploration activities and investments
2. A **research permit**, granted for three years over an area measuring 4 km by 4 km. It is renewable once for four years, subject to a minimum expenditure and works program. Unlike in other mining jurisdictions, the surface area of the permit is not reduced upon renewal
3. A **mining license**, granted for ten-year terms and renewable for successive periods of ten years until the reserves are exhausted. Previously, this term was limited to only four years and its extension is a welcome change for investors. Interestingly, the grant of a mining license will revoke a research permit only to the extent its surface area is covered by the mining license and a new research permit will be issued for the area not covered by the license

Mining rights must be held by a Moroccan legal entity but there are no restrictions on foreign shareholders.

Transparency and environment

Mining title holders must provide the administration with information on their mining activities, including geological reports, mining statistics, work programs, budgets and information on products extracted. The code allows agents from government departments to make site visits to audit this information, however, further details on these submissions will be set out in future regulations.

Mining operations must be carried out in accordance with all environmental legislation currently in force, which includes a requirement to submit an environmental impact assessment. Furthermore, and in line with many other jurisdictions in Africa, permit holders must now develop a mine abandonment plan in accordance with the requirements set by regulations.

As referenced above, the new code provides a legal structure that contemplates, and indeed depends on, various regulatory texts which have yet to be published. These regulations will provide greater detail to the code's existing provisions, particularly in the areas of local content, community development initiatives, environmental protection and abandonment of the mine.

Fiscal provisions

In recent years, the mining industry has become accustomed to granting between 10 and 15 percent in mining projects to the host government. Investors may be relieved, and even surprised, to learn that there is no such requirement in Morocco.

For tax purposes, while mining companies are treated as per any other company in Morocco, various incentives may apply to mining activities including a reduced corporate tax rate of 17.50 percent (for exporting mining companies or those selling mining products to an exporting company) and a general income tax rate of 20 percent.

Mining companies are also subject to an annual 'mining tax' ranging from one to three dirhams per tonne extracted, as specified by the regional authorities where the mining activity takes place.

Geological mapping

According to the Ministry of Mines, only 36 percent of the country has been geologically mapped. The Moroccan government is aware that mapping of a country's potential resources and providing easily accessible mining data is a vital step for any country in attracting foreign investment. Various sources report that the Mining Ministry is currently undertaking a number of initiatives to address these issues, including the establishment of a modern centralized mapping system.

Conclusion

In its global survey of mining companies 2015, the Fraser Institute ranked Morocco's mining legislation among the top 10 most attractive in Africa and 24th place globally. The Government's initiatives to establish a modern geological database will no doubt give the sector a further boost.

Benefitting from a stable economic, legal and political environment located on the doorstep of Europe, and with a rapidly developing infrastructure network, Morocco's new code is sure to play a key role in a new dawn for the Moroccan mining sector.

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Exhibit II-22

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Phosphorus Fertilizer Production and Technology

Ore Impurities and Beneficiation

- Initial removal of impurities from PR ore is called beneficiation
- Beneficiation of PR involves removal of materials such as sand, clay, carbonates, organics, and iron oxide
- Beneficiation may involve
  - Screening (wet or dry)
  - Washing
  - Hydrocyclones
  - Calcination
  - Flotation
  - Magnets


Aerial view of beneficiation

Ore Washing and Screening

- Separates oversize material (3 to 20 cm)
- Removes clays and other fines which result in a slurry of suspended waste called “slime”
- In areas without sufficient water, dry screening may be used

Ore Flotation

- Froth flotation requires deslimed feedstock
- The first step involves bubbling air through an anionic collector such as fatty acid
- Fine ore is passed though flotation cells, PR is attracted to the anionic collector, and rises with froth
- Floating apatite is thus separated from silica tailings by overflow or paddlewheels


Conventional Fine Flotation Circuits


Fine Flotation Column Cell

Ore Calcination

- Is used at some locations to remove organic matter
- Organic matter is burned by passing ore through furnace
- Results in higher quality product
- Used where energy cost, especially natural gas, is low

Exhibit II-23

Phosphate Rock Prices ($/t)
Argus Phosphates, Argus Media

Phosphate Rock (%BPL)	1Q19, Range		**1Q19**	2Q19, Range		**2Q19**	3Q19, Range		**3Q19**	4Q19, Range		**4Q19**	**2019**
	Low	*High*	***Average***	*Low*	*High*	***Average***	*Low*	*High*	***Average***	*Low*	*High*	***Average***	***Average***
fob Jordan (68-70)	97	114	**105.50**	88	105	**96.50**	80	85	**82.50**	80	85	**82.50**	**91.75**
cfr India (68-70)	125	135	**130.00**	120	132	**126.00**	96	105	**100.50**	96	105	**100.50**	**114.25**
cfr India (70-72)	135	140	**137.50**	135	140	**137.50**	120	130	**125.00**	120	130	**125.00**	**131.25**
fob Algeria (65-68)	na	na		na	na		50	65	**57.50**	50	60	**55.00**	**56.25**
fob north Africa (69)	70	110	**90.00**	70	80	**75.00**	70	75	**72.50**	70	75	**72.50**	**77.50**
CFR India Average	*130*	*138*	***133.75***	*128*	*136*	***131.75***	*108*	*118*	***112.75***	*108*	*118*	***112.75***	***122.75***

Sources:
Argus Phosphates Issue 19-31, August 2019.
Argus Phosphates Issue 19-36, September 2019.
Argus Phosphates Issue 19-40, October 2019.
Argus Phosphates Issue 20-1, January 2020.

Note: Ranges appear rounded to the nearest dollar.

Exhibit II-24

CRU Phopsphate Rock Prices, Annual

		Phosphate Rock Bulk FOB Morocco (68-72% BPL) Contract USD/t			Phosphate Rock Bulk CFR India (71-75% BPL) Spot/Contract USD/t			Phosphate Rock Bulk CFR India (65-70% BPL) Spot/Contract USD/t			Phosphate Rock Bulk FOB Egypt (60-68% BPL) Spot/Contract USD/t			Phosphate Rock Bulk FOB Jordan Q1 2020 (66-72% BPL) Contract USD/t			Phosphate Rock Bulk FOB Jordan Q1 2020 (73-75% BPL) Contract USD/t			Phosphate Rock Bulk FOB Peru (63-68% BPL) Spot/Contract USD/t			Phosphate Rock Bulk FOB Algeria (63-66% BPL) Spot/Contract USD/t		
Year	PriceDate	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg
2013		190	81	148	198	130	165	175	105	144	105	70	83	110	90	99	125	100	113	100	80	91			
2014		145	81	110	149	130	141	135	93	112	90	60	69	118	90	103	137	115	120	100	70	88			
2015		130	110	117	155	136	143	135	90	114	79	59	69	124	105	113	137	128	133	105	88	94			
2016		140	90	112	155	118	129	135	68	97	79	40	61	124	82	100	137	108	120	105	65	81			
2017		115	70	90	122	105	118	110	55	79	70	36	50	105	70	88	120	95	109	75	55	66	63	47	57
2018		115	70	91	135	105	124	120	60	89	56	36	46	110	70	92	120	95	110	80	55	70	60	43	51
2019		120	72	95	135	115	126	120	65	92	56	35	47	110	52	88	120	103	112	80	60	75	65	44	55
2020		105	70	85	125	112	119	110	64	86	55	35	45	95	52	74	105	100	103	80	60	70	60	42	51

Exhibit II-25

A Comparison of Peru's Bayóvar Phosphate Rock with Alternatives

A Review of Phosphate Rock Chemical Specifications to Determine which Alternative Global Supplier Provides The Most Comparable Product to Bayóvar

Introduction

Unlike typical agricultural and fertilizer commodities, phosphate rock is not fungible. That means one source of phosphate rock typically is not interchangeable with another. In fact, different sources of phosphate rock generally differ in chemical composition as well as physical characteristics[1]. The phosphate content and levels of trace elements (or impurities) are the primary determinants of the market value – i.e. price – of phosphate rock. The phosphate content or grade, measured by its P_2O_5 or BPL[2] percentage, is the most important factor, but it is not the only important one. Other chemical components also impact the overall quality of the rock and are critical in determining what markets and end-uses that can be accessed. These chemical characteristics also can significantly effect processing costs. In short, phosphate content and levels of trace elements (or impurities) will determine the price premium/discount of one source of rock versus competing sources.

This analysis compares several chemical characteristics of Bayóvar phosphate rock with other sources and common benchmarks. The analysis was conducted based on known market preferences for phosphate rock chemical characteristics and common contract provisions utilized to determine the market value (i.e. price) of various phosphate rock products around the world. The goal of the analysis is to demonstrate which alternative source of phosphate rock was most comparable to Bayóvar phosphate rock in 2014.

1. *Differences in physical characteristics of various sources of phosphate rock do not usually have a meaningful impact on marketability or value of the rock, and therefore are not considered in this analysis.*

2. *BPL – Bone Phosphate of Lime – is simply a different convention for measuring phosphate content, but it has lost favor to the use of P_2O_5. BPL is synonymous with tricalcium phosphate (Ca3(PO4)2), and therefore converting from percent P_2O_5 to percent BPL is an arithmetic exercise undertaken by multiplying the former by 2.185.*

Conclusion

The conclusion of this analysis is that Algerian phosphate rock is the most comparable to Bayóvar phosphate rock. This is true from both a grade as well as impurity standpoint. In addition:

- Egyptian phosphate rock is similar to Bayóvar phosphate rock, but it is not as close of a comparator as Algerian rock. Furthermore, there are commercial considerations that render Egyptian rock a poorer comparator.

- High-grade phosphate rock is not a suitable comparator to Bayóvar rock. This means that much of the supply from Morocco and Jordan, and virtually all phosphate rock sold from Russia, South Africa, Senegal and Togo, is not comparable to Bayóvar simply because such sources have a much superior grade.

Exhibit II-26

METHODOLOGY AND SPECIFICATIONS GUIDE

argus

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ARGUS PHOSPHATES

Contents:

LAST UPDATED: APRIL 2020

The most up-to-date Argus Phosphates methodology is available on www.argusmedia.com

TSP Tunisia
GCT sells much of its TSP to Bangladesh under government-to-government contracts priced under formula, limiting price transparency. Prices are defined mainly by sales to European markets. The price typically tracks the Moroccan TSP price closely.

TSP Morocco
The TSP Morocco price assessment is defined by sales made by OCP to Europe at the high end of the range and to Latin America at the low end.

TSP China
The Chinese TSP price is assessed mainly on sales to southeast Asia, particularly Indonesia, as well as sales to Brazil and Latin America. Iran is also an occasional outlet although this price is not included in the assessment.

TSP eastern Med (Lebanon/Israel)
The price predominantly refers to Lebanese TSP produced by LCC Lebanon, which primarily goes to European markets as well as Latin America and Bangladesh. Israel exports to Europe, the US and Brazil.

DAP/MAP/TSP — fob bulk

DAP/MAP cfr bulk Argentina/Uruguay
Argentina and Uruguay usually pay the same price for DAP and MAP and shipments are often combined. The market usually trades at a premium to the Brazilian cfr price owing to freight and logistic costs. The price assessment is predominantly defined on the basis of trader sales, although some producers such as OCP occasionally sell directly.

MAP Brazil
Brazil is the most competitive MAP market as no one producer has a distinct freight advantage. Brazil imports MAP throughout the year from a variety of origins, both through direct producer sales and through traders. The market is liquid and often the range is assessed on the basis of transactions, although bids and offers are also included when liquidity or confirmation of trades is lacking.

MAP 10-50 (ex-China) cfr Brazil
See the Argus Brazil Grains and Fertilizer methodology.

MAP 11-44 (ex-China) cfr Brazil
See the Argus Brazil Grains and Fertilizer methodology.

MAP South Africa
The price is assessed on the basis of conversations with Russian and Saudi suppliers and local and regional traders and importers.

DAP India
The cfr price in India is ultimately capped by importer economics relative to the current subsidy in place, the value of the Indian rupee and the maximum retail price in force. The price assessment is usually defined on the basis of sales by Chinese producers at the lower end and Saudi product at the higher end, which trades at a slight premium. Offers in specific purchase tenders are also taken into account if an award is made.

DAP Pakistan
Pakistan usually trades at a slight premium to India owing to freight economics. Chinese DAP dominates the market with Saudi DAP discouraged due to colour issues. Australian DAP usually commands a slight premium over other sources.

DAP Turkey duty paid/duty free
This is the price paid by Turkish importers for DAP on a duty free/duty paid basis. A duty of 6.5pc is paid on DAP from Russia, Saudi Arabia, the US, China and Australia. However there is no duty on imports from Morocco, Tunisia and Jordan (from which the majority of DAP is sourced). North African producers agree volume contracts which are priced on a cargo by cargo basis. There are additionally spot trader sales particularly of Jordanian material. Turkey is most active during the third quarter but imports throughout the year both for direct application and use in NPK manufacture. The price is influenced by the relative price of NPKs in the domestic sector. Low NPK prices tend to encourage a switch away from DAP and hence lower prices.

DAP east coast Africa
The price is assessed on the basis of conversations with producers and local importers and traders in Kenya and Tanzania. Prices given in tenders, for example, are netted to a cfr value accounting for local port and any financing costs.

Raw material contracts

Phosphoric acid/t P2O5

Cfr India
The price is usually settled on a quarterly basis with OCP leading negotiations. The price is settled in $/t P2O5 cfr with 30 days credit. On occasion, the price is settled for six months. This is explained in the text and the quarterly price is moved at the appropriate time. Contract negotiations can be protracted and the price does not always settle promptly.

Cfr western Europe
Imports are primarily from OCP Morocco for producers in Belgium, France and the Netherlands. Prices are agreed on a quarterly basis. The price change from quarter to quarter usually tracks the Indian price.

Cfr Brazil
OCP Morocco provides most of the phosphoric acid to Brazil and the price usually moves in tandem with those for India and western Europe.

Phosphate rock (% BPL)

Fob Jordan (68-70)
JPMC is a major phosphate rock producer, and much of its exports go to India.

Phosphate rock fob Algeria 29-30pc P205 contract
The majority of trade takes place under annual or six-month contracts. The price will be assessed on the basis of conversations with importers and with local producer Somiphos.

Cfr India (68-70), cfr India (70-72)
India is the major phosphate rock buyer globally. It buys from Egypt, Israel, Morocco and Togo as well as Jordan, the largest supplier.

Fob north Africa (69pc)
Defined by sales to Europe, India and Brazil from OCP/GCT.

Relative nutrient values

The price of various products in their pure P2O5 nutrient form, with the value of nitrogen extracted. As DAP (18pc) and MAP (11pc) contain nitrogen elements, these have been extracted to calculate a pure phosphate nutrient value.

Fob DAP Morocco $/t P2O5, $/unit
The value of Moroccan DAP in P2O5 terms per tonne and per unit, useful in comparing Moroccan DAP prices and netbacks to the price of phosphoric acid contracts in India, a relationship that shapes quarterly phosphoric contract negotiations.

Calculated as:
$/t P2O5 = (DAP Morocco – (18/46*North Africa Urea))*100/46

A $/unit value figure is also provided, calculated as the $/t P2O5 value divided by 100.

Fob DAP China $/t P2O5, $/unit
The value of Chinese DAP fob in P2O5 terms per tonne and per unit, useful in comparing Chinese DAP export values to other phosphate exports and to netbacks from the domestic sector.

Calculated as:
$/t P2O5 = (DAP China fob – (18/46*China prilled urea fob))*100/46

A $/unit value figure is also provided, calculated as the $/t P2O5 value divided by 100.

Cfr MAP 11-52 Brazil $/t P2O5, $/unit
The value of 11-52 MAP sourced from China for export to Brazil, useful in comparing the relative P2O5 values of 11-52, 10-52 and 11-44. Typically there is a discount in the price of 11-44 and 10-50 to 11-52 when relative nutrient values are taken into account. In recent years, this discount has narrowed, reflecting Chinese producer export strategies and the pull on MAP from the Chinese domestic sector.

Calculated as:
$/t P2O5 = (Brazilian MAP 11-52 cfr range – (11/46*Brazilian granular urea cfr))*100/52

A $/unit value figure is also provided, calculated as the $/t P2O5 value divided by 100.

Cfr MAP 11-44 Brazil $/t P2O5, $/unit
Calculated as:
$/t P2O5 = (Brazilian MAP 11-44 cfr range – (11/46*Brazilian granular urea cfr))*100/44

A $/unit value figure is also provided, calculated as the $/t P2O5 value divided by 100.

Cfr MAP 10-50 Brazil $/t P2O5 and $/unit
Calculated as: $/t P2O5 = (Brazilian MAP 10-50 cfr range – (10/46*Brazilian granular urea cfr))*100/50

A $/unit value figure is also provided, calculated as the $/t P2O5 value divided by 100.

Argus DAP index

A weekly global composite DAP index based on a basket of Argus price assessments weighted by annual export volumes.

Component assessments
The index is based on five Argus price assessments:
- DAP bulk fob China
- DAP bulk fob Morocco
- DAP bulk fob Saudi Arabia
- DAP bulk fob Russia
- DAP/MAP bulk fob Tampa

Weighting
Those prices are weighted in the index in proportion to the country of origin's exports, according to the latest available IFA data. The index is re-weighted in the first report following the publication of the latest IFA DAP data – historical re-weighting dates are shown in the table below.

Weighted prices are totalled and indexed such that 1 June 2017 = 100.

Weighting

Statistical year	2015	2016	2017	2018
Weighting effective date	13/10/2016	12/10/2017	25/10/2018	28/11/2019
China	0.53787	0.51144	0.45508	0.47998
Morocco	0.08712	0.12949	0.16473	0.19513
Saudi Arabia	0.15643	0.13953	0.18421	0.17721
Russia	0.079	0.09072	0.07807	0.08261
US	0.13958	0.12882	0.11791	0.06507

Freight

Argus Phosphates includes several freight rate assessments. Prices are assessed as a range and include information collected over the course of the trading week.

Freight rate assessments are established by surveying freight providers and buyers of spot freight, maintaining a balance between both parties. The assessment is for cargoes that will load and move within the next 30-40 days.

Exhibit II-27

Phosphate Rock Freight Rates (2019)
Source: Argus Media, Issues of Argus Phosphates

Loading	Destination	Low Rate ($/t)	High Rate ($/t	Mid Rate ($/t	Approximate	Source Note
Morocco	South Brazil	16.12	18.12	17.12	4,760	Distance retrieved from sea-distances.org (Casablanca, Morocco to Rio Grande.)
	US	17.71	19.71	18.71	3,151	Distance retrieved from sea-distances.org (Casablanca, Morocco to New York/New Jersey.)
Red Sea	Indonesia	18.73	20.73	19.73	4,583	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Tanjung Priok, Indonesia.)
	WC/EC India	16.41	18.41	17.41	2,353	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Mumbai India.)
Average		**17.24**	**19.24**	**18.24**	**3,712**	
Jordan	**Morocco**			12.22	2,487	Distance retrieved from sea-distances.org (Port of Aqaba, Jordan to Casablanca, Morocco.) Mid rate calculated as (distance from Jordan to Morocco * Average mid rate for all freight quotes) / (Average distance for all freight quotes).

Commodity	Loading	Destination	Tonnage Range	Tonnage Midpoint	Low Rate ($/t)	High Rate ($/t)	Mid Rate ($/t)	Month	Year	Source for Freight Rates
Phosphate Rock	Red Sea	Indonesia	25-35	30	19	21	20	1	2019	Argus Phosphates, Issue 19-1, January 3, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	19	21	20	1	2019	Argus Phosphates, Issue 19-2, January 10, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	1	2019	Argus Phosphates, Issue 19-3, January 17, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	19	21	20	1	2019	Argus Phosphates, Issue 19-4, January 24, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	19	21	20	1	2019	Argus Phosphates, Issue 19-5, January 31, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	19	21	20	2	2019	Argus Phosphates, Issue 19-6, February 7, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	16	18	17	2	2019	Argus Phosphates, Issue 19-7, February 14, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	16	18	17	2	2019	Argus Phosphates, Issue 19-8, February 21, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	16	18	17	2	2019	Argus Phosphates, Issue 19-9, February 28, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	3	2019	Argus Phosphates, Issue 19-10, March 7, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	3	2019	Argus Phosphates, Issue 19-11, March 14, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	3	2019	Argus Phosphates, Issue 19-12, March 21, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	3	2019	Argus Phosphates, Issue 19-13, March 28, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	4	2019	Argus Phosphates, Issue 19-14, April 4, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	4	2019	Argus Phosphates, Issue 19-15, April 11, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	4	2019	Argus Phosphates, Issue 19-16, April 18, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	4	2019	Argus Phosphates, Issue 19-17, April 25, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	18	20	19	5	2019	Argus Phosphates, Issue 19-18, May 2, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	18	20	19	5	2019	Argus Phosphates, Issue 19-19, May 9, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	5	2019	Argus Phosphates, Issue 19-20, May 16, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	5	2019	Argus Phosphates, Issue 19-21, May 23, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	5	2019	Argus Phosphates, Issue 19-22, May 30, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	16	18	17	6	2019	Argus Phosphates, Issue 19-23, June 6, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	16	18	17	6	2019	Argus Phosphates, Issue 19-24, June 13, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	6	2019	Argus Phosphates, Issue 19-25, June 20, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	17	19	18	6	2019	Argus Phosphates, Issue 19-26, June 27, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	18	20	19	7	2019	Argus Phosphates, Issue 19-27, July 4, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	18	20	19	7	2019	Argus Phosphates, Issue 19-28, July 11, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	18	20	19	7	2019	Argus Phosphates, Issue 19-29, July 18, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	7	2019	Argus Phosphates, Issue 19-30, July 25, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	21	23	22	8	2019	Argus Phosphates, Issue 19-31, August 1, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	8	2019	Argus Phosphates, Issue 19-32, August 8, 2019

Phosphate Rock Freight Rates (2019)

Source: Argus Media, Issues of Argus Phosphates

Loading	Destination	Low Rate ($/t)	High Rate ($/t	Mid Rate ($/t	Approximate	Source Note
Morocco	South Brazil	16.12	18.12	17.12	4,760	Distance retrieved from sea-distances.org (Casablanca, Morocco to Rio Grande.)
	US	17.71	19.71	18.71	3,151	Distance retrieved from sea-distances.org (Casablanca, Morocco to New York/New Jersey.)
Red Sea	Indonesia	18.73	20.73	19.73	4,583	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Tanjung Priok, Indonesia.)
	WC/EC India	16.41	18.41	17.41	2,353	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Mumbai India.)
Average		**17.24**	**19.24**	**18.24**	**3,712**	
Jordan	**Morocco**			12.22	2,487	Distance retrieved from sea-distances.org (Port of Aqaba, Jordan to Casablanca, Morocco.) Mid rate calculated as (distance from Jordan to Morocco * Average mid rate for all freight quotes) / (Average distance for all freight quotes).

Commodity	Loading	Destination	Tonnage Range	Tonnage Midpoint	Low Rate ($/t)	High Rate ($/t)	Mid Rate ($/t)	Month	Year	Source for Freight Rates
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	8	2019	Argus Phosphates, Issue 19-33, August 15, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	21	23	22	8	2019	Argus Phosphates, Issue 19-34, August 22, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	22	24	23	8	2019	Argus Phosphates, Issue 19-35, August 29, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	21	23	22	9	2019	Argus Phosphates, Issue 19-36, September 5, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	21	23	22	9	2019	Argus Phosphates, Issue 19-37, September 12, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	21	23	22	9	2019	Argus Phosphates, Issue 19-38, September 19, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	22	24	23	9	2019	Argus Phosphates, Issue 19-39, September 26, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	22	24	23	10	2019	Argus Phosphates, Issue 19-40, October 3, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	10	2019	Argus Phosphates, Issue 19-41, October 10, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	10	2019	Argus Phosphates, Issue 19-42, October 17, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	10	2019	Argus Phosphates, Issue 19-43, October 24, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	10	2019	Argus Phosphates, Issue 19-44, October 31, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	14	16	15	11	2019	Argus Phosphates, Issue 19-45, November 7, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	21	23	22	11	2019	Argus Phosphates, Issue 19-46, November 14, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	21	23	22	11	2019	Argus Phosphates, Issue 19-47, November 21, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	21	23	22	11	2019	Argus Phosphates, Issue 19-48, November 28, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	21	23	22	12	2019	Argus Phosphates, Issue 19-49, December 5, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	12	2019	Argus Phosphates, Issue 19-50, December 12, 2019
Phosphate Rock	Red Sea	Indonesia	25-35	30	20	22	21	12	2019	Argus Phosphates, Issue 19-51, December 19, 2019
Phosphate Rock	Morocco	South Brazil	30	30	17	19	18	1	2019	Argus Phosphates, Issue 19-1, January 3, 2019
Phosphate Rock	Morocco	South Brazil	30	30	17	19	18	1	2019	Argus Phosphates, Issue 19-2, January 10, 2019
Phosphate Rock	Morocco	South Brazil	30	30	17	19	18	1	2019	Argus Phosphates, Issue 19-3, January 17, 2019
Phosphate Rock	Morocco	South Brazil	30	30	15	17	16	1	2019	Argus Phosphates, Issue 19-4, January 24, 2019
Phosphate Rock	Morocco	South Brazil	30	30	15	17	16	1	2019	Argus Phosphates, Issue 19-5, January 31, 2019
Phosphate Rock	Morocco	South Brazil	30	30	17	19	18	2	2019	Argus Phosphates, Issue 19-6, February 7, 2019
Phosphate Rock	Morocco	South Brazil	30	30	13	15	14	2	2019	Argus Phosphates, Issue 19-7, February 14, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	2	2019	Argus Phosphates, Issue 19-8, February 21, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	2	2019	Argus Phosphates, Issue 19-9, February 28, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	3	2019	Argus Phosphates, Issue 19-10, March 7, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	3	2019	Argus Phosphates, Issue 19-11, March 14, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	3	2019	Argus Phosphates, Issue 19-12, March 21, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	3	2019	Argus Phosphates, Issue 19-13, March 28, 2019

Phosphate Rock Freight Rates (2019)

Source: Argus Media, Issues of Argus Phosphates

Loading	Destination	Low Rate ($/t)	High Rate ($/t	Mid Rate ($/t	Approximate	Source Note
Morocco	South Brazil	16.12	18.12	17.12	4,760	Distance retrieved from sea-distances.org (Casablanca, Morocco to Rio Grande.)
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	WC/EC India	16.41	18.41	17.41	2,353	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Mumbai India.)
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Jordan	**Morocco**			12.22	2,487	Distance retrieved from sea-distances.org (Port of Aqaba, Jordan to Casablanca, Morocco.) Mid rate calculated as (distance from Jordan to Morocco * Average mid rate for all freight quotes) / (Average distance for all freight quotes).

Commodity	Loading	Destination	Tonnage Range	Tonnage Midpoint	Low Rate ($/t)	High Rate ($/t)	Mid Rate ($/t)	Month	Year	Source for Freight Rates
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	4	2019	Argus Phosphates, Issue 19-14, April 4, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	4	2019	Argus Phosphates, Issue 19-15, April 11, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	4	2019	Argus Phosphates, Issue 19-16, April 18, 2019
Phosphate Rock	Morocco	South Brazil	30	30	13	15	14	4	2019	Argus Phosphates, Issue 19-17, April 25, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	5	2019	Argus Phosphates, Issue 19-18, May 2, 2019
Phosphate Rock	Morocco	South Brazil	30	30	15	17	16	5	2019	Argus Phosphates, Issue 19-19, May 9, 2019
Phosphate Rock	Morocco	South Brazil	30	30	13	15	14	5	2019	Argus Phosphates, Issue 19-20, May 16, 2019
Phosphate Rock	Morocco	South Brazil	30	30	13	15	14	5	2019	Argus Phosphates, Issue 19-21, May 23, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	5	2019	Argus Phosphates, Issue 19-22, May 30, 2019
Phosphate Rock	Morocco	South Brazil	30	30	13	15	14	6	2019	Argus Phosphates, Issue 19-23, June 6, 2019
Phosphate Rock	Morocco	South Brazil	30	30	13	15	14	6	2019	Argus Phosphates, Issue 19-24, June 13, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	6	2019	Argus Phosphates, Issue 19-25, June 20, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	6	2019	Argus Phosphates, Issue 19-26, June 27, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	7	2019	Argus Phosphates, Issue 19-27, July 4, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	7	2019	Argus Phosphates, Issue 19-28, July 11, 2019
Phosphate Rock	Morocco	South Brazil	30	30	14	16	15	7	2019	Argus Phosphates, Issue 19-29, July 18, 2019
Phosphate Rock	Morocco	South Brazil	30	30	16	18	17	7	2019	Argus Phosphates, Issue 19-30, July 25, 2019
Phosphate Rock	Morocco	South Brazil	30	30	16	18	17	8	2019	Argus Phosphates, Issue 19-31, August 1, 2019
Phosphate Rock	Morocco	South Brazil	30	30	16	18	17	8	2019	Argus Phosphates, Issue 19-32, August 8, 2019
Phosphate Rock	Morocco	South Brazil	30	30	16	18	17	8	2019	Argus Phosphates, Issue 19-33, August 15, 2019
Phosphate Rock	Morocco	South Brazil	30	30	17	19	18	8	2019	Argus Phosphates, Issue 19-34, August 22, 2019
Phosphate Rock	Morocco	South Brazil	30	30	19	21	20	8	2019	Argus Phosphates, Issue 19-35, August 29, 2019
Phosphate Rock	Morocco	South Brazil	30	30	18	20	19	9	2019	Argus Phosphates, Issue 19-36, September 5, 2019
Phosphate Rock	Morocco	South Brazil	30	30	19	21	20	9	2019	Argus Phosphates, Issue 19-37, September 12, 2019
Phosphate Rock	Morocco	South Brazil	30	30	22	24	23	9	2019	Argus Phosphates, Issue 19-38, September 19, 2019
Phosphate Rock	Morocco	South Brazil	30	30	22	24	23	9	2019	Argus Phosphates, Issue 19-39, September 26, 2019
Phosphate Rock	Morocco	South Brazil	30	30	22	24	23	10	2019	Argus Phosphates, Issue 19-40, October 3, 2019
Phosphate Rock	Morocco	South Brazil	30	30	20	22	21	10	2019	Argus Phosphates, Issue 19-41, October 10, 2019
Phosphate Rock	Morocco	South Brazil	30	30	18	20	19	10	2019	Argus Phosphates, Issue 19-42, October 17, 2019
Phosphate Rock	Morocco	South Brazil	30	30	17	19	18	10	2019	Argus Phosphates, Issue 19-43, October 24, 2019
Phosphate Rock	Morocco	South Brazil	30	30	15	17	16	10	2019	Argus Phosphates, Issue 19-44, October 31, 2019
Phosphate Rock	Morocco	South Brazil	30	30	20	22	21	11	2019	Argus Phosphates, Issue 19-45, November 7, 2019

Phosphate Rock Freight Rates (2019)

Source: Argus Media, Issues of Argus Phosphates

Loading	Destination	Low Rate ($/t)	High Rate ($/t	Mid Rate ($/t	Approximate	Source Note
Morocco	South Brazil	16.12	18.12	17.12	4,760	Distance retrieved from sea-distances.org (Casablanca, Morocco to Rio Grande.)
	US	17.71	19.71	18.71	3,151	Distance retrieved from sea-distances.org (Casablanca, Morocco to New York/New Jersey.)
Red Sea	Indonesia	18.73	20.73	19.73	4,583	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Tanjung Priok, Indonesia.)
	WC/EC India	16.41	18.41	17.41	2,353	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Mumbai India.)
Average		**17.24**	**19.24**	**18.24**	**3,712**	
Jordan	**Morocco**			12.22	2,487	Distance retrieved from sea-distances.org (Port of Aqaba, Jordan to Casablanca, Morocco.) Mid rate calculated as (distance from Jordan to Morocco * Average mid rate for all freight quotes) / (Average distance for all freight quotes).

Commodity	Loading	Destination	Tonnage Range	Tonnage Midpoint	Low Rate ($/t)	High Rate ($/t)	Mid Rate ($/t)	Month	Year	Source for Freight Rates
Phosphate Rock	Morocco	South Brazil	30	30	19	21	20	11	2019	Argus Phosphates, Issue 19-46, November 14, 2019
Phosphate Rock	Morocco	South Brazil	30	30	19	21	20	11	2019	Argus Phosphates, Issue 19-47, November 21, 2019
Phosphate Rock	Morocco	South Brazil	30	30	20	22	21	11	2019	Argus Phosphates, Issue 19-48, November 28, 2019
Phosphate Rock	Morocco	South Brazil	30	30	20	22	21	12	2019	Argus Phosphates, Issue 19-49, December 5, 2019
Phosphate Rock	Morocco	South Brazil	30	30	18	20	19	12	2019	Argus Phosphates, Issue 19-50, December 12, 2019
Phosphate Rock	Morocco	South Brazil	30	30	18	20	19	12	2019	Argus Phosphates, Issue 19-51, December 19, 2019
Phosphate Rock	Morocco	US	25-35	30	18	20	19	1	2019	Argus Phosphates, Issue 19-1, January 3, 2019
Phosphate Rock	Morocco	US	25-35	30	18	20	19	1	2019	Argus Phosphates, Issue 19-2, January 10, 2019
Phosphate Rock	Morocco	US	25-35	30	18	20	19	1	2019	Argus Phosphates, Issue 19-3, January 17, 2019
Phosphate Rock	Morocco	US	25-35	30	17	19	18	1	2019	Argus Phosphates, Issue 19-4, January 24, 2019
Phosphate Rock	Morocco	US	25-35	30	17	19	18	1	2019	Argus Phosphates, Issue 19-5, January 31, 2019
Phosphate Rock	Morocco	US	25-35	30	18	20	19	2	2019	Argus Phosphates, Issue 19-6, February 7, 2019
Phosphate Rock	Morocco	US	25-35	30	15	17	16	2	2019	Argus Phosphates, Issue 19-7, February 14, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	2	2019	Argus Phosphates, Issue 19-8, February 21, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	2	2019	Argus Phosphates, Issue 19-9, February 28, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	3	2019	Argus Phosphates, Issue 19-10, March 7, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	3	2019	Argus Phosphates, Issue 19-11, March 14, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	3	2019	Argus Phosphates, Issue 19-12, March 21, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	3	2019	Argus Phosphates, Issue 19-13, March 28, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	4	2019	Argus Phosphates, Issue 19-14, April 4, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	4	2019	Argus Phosphates, Issue 19-15, April 11, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	4	2019	Argus Phosphates, Issue 19-16, April 18, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	4	2019	Argus Phosphates, Issue 19-17, April 25, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	5	2019	Argus Phosphates, Issue 19-18, May 2, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	5	2019	Argus Phosphates, Issue 19-19, May 9, 2019
Phosphate Rock	Morocco	US	25-35	30	15	17	16	5	2019	Argus Phosphates, Issue 19-20, May 16, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	5	2019	Argus Phosphates, Issue 19-21, May 23, 2019
Phosphate Rock	Morocco	US	25-35	30	15	17	16	5	2019	Argus Phosphates, Issue 19-22, May 30, 2019
Phosphate Rock	Morocco	US	25-35	30	14	16	15	6	2019	Argus Phosphates, Issue 19-23, June 6, 2019
Phosphate Rock	Morocco	US	25-35	30	14	16	15	6	2019	Argus Phosphates, Issue 19-24, June 13, 2019
Phosphate Rock	Morocco	US	25-35	30	15	17	16	6	2019	Argus Phosphates, Issue 19-25, June 20, 2019
Phosphate Rock	Morocco	US	25-35	30	15	17	16	6	2019	Argus Phosphates, Issue 19-26, June 27, 2019

Phosphate Rock Freight Rates (2019)

Source: Argus Media, Issues of Argus Phosphates

Loading	Destination	Low Rate ($/t)	High Rate ($/t	Mid Rate ($/t	Approximate	Source Note
Morocco	South Brazil	16.12	18.12	17.12	4,760	Distance retrieved from sea-distances.org (Casablanca, Morocco to Rio Grande.)
	US	17.71	19.71	18.71	3,151	Distance retrieved from sea-distances.org (Casablanca, Morocco to New York/New Jersey.)
Red Sea	Indonesia	18.73	20.73	19.73	4,583	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Tanjung Priok, Indonesia.)
	WC/EC India	16.41	18.41	17.41	2,353	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Mumbai India.)
Average		**17.24**	**19.24**	**18.24**	**3,712**	
Jordan	**Morocco**			12.22	2,487	Distance retrieved from sea-distances.org (Port of Aqaba, Jordan to Casablanca, Morocco.) Mid rate calculated as (distance from Jordan to Morocco * Average mid rate for all freight quotes) / (Average distance for all freight quotes).

Commodity	Loading	Destination	Tonnage Range	Tonnage Midpoint	Low Rate ($/t)	High Rate ($/t)	Mid Rate ($/t)	Month	Year	Source for Freight Rates
Phosphate Rock	Morocco	US	25-35	30	16	18	17	7	2019	Argus Phosphates, Issue 19-27, July 4, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	7	2019	Argus Phosphates, Issue 19-28, July 11, 2019
Phosphate Rock	Morocco	US	25-35	30	16	18	17	7	2019	Argus Phosphates, Issue 19-29, July 18, 2019
Phosphate Rock	Morocco	US	25-35	30	18	20	19	7	2019	Argus Phosphates, Issue 19-30, July 25, 2019
Phosphate Rock	Morocco	US	25-35	30	17	19	18	8	2019	Argus Phosphates, Issue 19-31, August 1, 2019
Phosphate Rock	Morocco	US	25-35	30	18	20	19	8	2019	Argus Phosphates, Issue 19-32, August 8, 2019
Phosphate Rock	Morocco	US	25-35	30	18	20	19	8	2019	Argus Phosphates, Issue 19-33, August 15, 2019
Phosphate Rock	Morocco	US	25-35	30	19	21	20	8	2019	Argus Phosphates, Issue 19-34, August 22, 2019
Phosphate Rock	Morocco	US	25-35	30	21	23	22	8	2019	Argus Phosphates, Issue 19-35, August 29, 2019
Phosphate Rock	Morocco	US	25-35	30	20	22	21	9	2019	Argus Phosphates, Issue 19-36, September 5, 2019
Phosphate Rock	Morocco	US	25-35	30	20	22	21	9	2019	Argus Phosphates, Issue 19-37, September 12, 2019
Phosphate Rock	Morocco	US	25-35	30	23	25	24	9	2019	Argus Phosphates, Issue 19-38, September 19, 2019
Phosphate Rock	Morocco	US	25-35	30	22	24	23	9	2019	Argus Phosphates, Issue 19-39, September 26, 2019
Phosphate Rock	Morocco	US	25-35	30	22	24	23	10	2019	Argus Phosphates, Issue 19-40, October 3, 2019
Phosphate Rock	Morocco	US	25-35	30	20	22	21	10	2019	Argus Phosphates, Issue 19-41, October 10, 2019
Phosphate Rock	Morocco	US	25-35	30	19	21	20	10	2019	Argus Phosphates, Issue 19-42, October 17, 2019
Phosphate Rock	Morocco	US	25-35	30	19	21	20	10	2019	Argus Phosphates, Issue 19-43, October 24, 2019
Phosphate Rock	Morocco	US	25-35	30	18	20	19	10	2019	Argus Phosphates, Issue 19-44, October 31, 2019
Phosphate Rock	Morocco	US	25-35	30	21	23	22	11	2019	Argus Phosphates, Issue 19-45, November 7, 2019
Phosphate Rock	Morocco	US	25-35	30	21	23	22	11	2019	Argus Phosphates, Issue 19-46, November 14, 2019
Phosphate Rock	Morocco	US	25-35	30	20	22	21	11	2019	Argus Phosphates, Issue 19-47, November 21, 2019
Phosphate Rock	Morocco	US	25-35	30	21	23	22	11	2019	Argus Phosphates, Issue 19-48, November 28, 2019
Phosphate Rock	Morocco	US	25-35	30	21	23	22	12	2019	Argus Phosphates, Issue 19-49, December 5, 2019
Phosphate Rock	Morocco	US	25-35	30	20	22	21	12	2019	Argus Phosphates, Issue 19-50, December 12, 2019
Phosphate Rock	Morocco	US	25-35	30	20	22	21	12	2019	Argus Phosphates, Issue 19-51, December 19, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	16	18	17	1	2019	Argus Phosphates, Issue 19-1, January 3, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	15	17	16	1	2019	Argus Phosphates, Issue 19-2, January 10, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	15	17	16	1	2019	Argus Phosphates, Issue 19-3, January 17, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	15	17	16	1	2019	Argus Phosphates, Issue 19-4, January 24, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	15	17	16	1	2019	Argus Phosphates, Issue 19-5, January 31, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	17	19	18	2	2019	Argus Phosphates, Issue 19-6, February 7, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	13	15	14	2	2019	Argus Phosphates, Issue 19-7, February 14, 2019

Phosphate Rock Freight Rates (2019)

Source: Argus Media, Issues of Argus Phosphates

Loading	Destination	Low Rate ($/t)	High Rate ($/t	Mid Rate ($/t	Approximate I	Source Note
Morocco	South Brazil	16.12	18.12	17.12	4,760	Distance retrieved from sea-distances.org (Casablanca, Morocco to Rio Grande.)
	US	17.71	19.71	18.71	3,151	Distance retrieved from sea-distances.org (Casablanca, Morocco to New York/New Jersey.)
Red Sea	Indonesia	18.73	20.73	19.73	4,583	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Tanjung Priok, Indonesia.)
	WC/EC India	16.41	18.41	17.41	2,353	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Mumbai India.)
Average		**17.24**	**19.24**	**18.24**	**3,712**	
Jordan	**Morocco**			12.22	2,487	Distance retrieved from sea-distances.org (Port of Aqaba, Jordan to Casablanca, Morocco.) Mid rate calculated as (distance from Jordan to Morocco * Average mid rate for all freight quotes) / (Average distance for all freight quotes).

Commodity	Loading	Destination	Tonnage Range	Tonnage Midpoint	Low Rate ($/t)	High Rate ($/t)	Mid Rate ($/t)	Month	Year	Source for Freight Rates
Phosphate Rock	Red Sea	WC/EC India	25-35	30	13	15	14	2	2019	Argus Phosphates, Issue 19-8, February 21, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	2	2019	Argus Phosphates, Issue 19-9, February 28, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	3	2019	Argus Phosphates, Issue 19-10, March 7, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	3	2019	Argus Phosphates, Issue 19-11, March 14, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	3	2019	Argus Phosphates, Issue 19-12, March 21, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	3	2019	Argus Phosphates, Issue 19-13, March 28, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	4	2019	Argus Phosphates, Issue 19-14, April 4, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	4	2019	Argus Phosphates, Issue 19-15, April 11, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	4	2019	Argus Phosphates, Issue 19-16, April 18, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	4	2019	Argus Phosphates, Issue 19-17, April 25, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	15	17	16	5	2019	Argus Phosphates, Issue 19-18, May 2, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	15	17	16	5	2019	Argus Phosphates, Issue 19-19, May 9, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	5	2019	Argus Phosphates, Issue 19-20, May 16, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	15	17	16	5	2019	Argus Phosphates, Issue 19-21, May 23, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	5	2019	Argus Phosphates, Issue 19-22, May 30, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	6	2019	Argus Phosphates, Issue 19-23, June 6, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	14	16	15	6	2019	Argus Phosphates, Issue 19-24, June 13, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	15	17	16	6	2019	Argus Phosphates, Issue 19-25, June 20, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	15	17	16	6	2019	Argus Phosphates, Issue 19-26, June 27, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	16	18	17	7	2019	Argus Phosphates, Issue 19-27, July 4, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	16	18	17	7	2019	Argus Phosphates, Issue 19-28, July 11, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	16	18	17	7	2019	Argus Phosphates, Issue 19-29, July 18, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	7	2019	Argus Phosphates, Issue 19-30, July 25, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	8	2019	Argus Phosphates, Issue 19-31, August 1, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	8	2019	Argus Phosphates, Issue 19-32, August 8, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	8	2019	Argus Phosphates, Issue 19-33, August 15, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	20	22	21	8	2019	Argus Phosphates, Issue 19-34, August 22, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	20	22	21	8	2019	Argus Phosphates, Issue 19-35, August 29, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	9	2019	Argus Phosphates, Issue 19-36, September 5, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	9	2019	Argus Phosphates, Issue 19-37, September 12, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	9	2019	Argus Phosphates, Issue 19-38, September 19, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	9	2019	Argus Phosphates, Issue 19-39, September 26, 2019

Phosphate Rock Freight Rates (2019)

Source: Argus Media, Issues of Argus Phosphates

Loading	Destination	Low Rate ($/t)	High Rate ($/t)	Mid Rate ($/t)	Approximate	Source Note
Morocco	South Brazil	16.12	18.12	17.12	4,760	Distance retrieved from sea-distances.org (Casablanca, Morocco to Rio Grande.)
	US	17.71	19.71	18.71	3,151	Distance retrieved from sea-distances.org (Casablanca, Morocco to New York/New Jersey.)
Red Sea	Indonesia	18.73	20.73	19.73	4,583	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Tanjung Priok, Indonesia.)
	WC/EC India	16.41	18.41	17.41	2,353	Distance retrieved from sea-distances.org (Jeddah, Saudi Arabia to Mumbai India.)
Average		**17.24**	**19.24**	**18.24**	**3,712**	
Jordan	**Morocco**			12.22	2,487	Distance retrieved from sea-distances.org (Port of Aqaba, Jordan to Casablanca, Morocco.) Mid rate calculated as (distance from Jordan to Morocco * Average mid rate for all freight quotes) / (Average distance for all freight quotes).

Commodity	Loading	Destination	Tonnage Range	Tonnage Midpoint	Low Rate ($/t)	High Rate ($/t)	Mid Rate ($/t)	Month	Year	Source for Freight Rates
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	10	2019	Argus Phosphates, Issue 19-40, October 3, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	18	20	19	10	2019	Argus Phosphates, Issue 19-41, October 10, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	18	20	19	10	2019	Argus Phosphates, Issue 19-42, October 17, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	18	20	19	10	2019	Argus Phosphates, Issue 19-43, October 24, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	17	19	18	10	2019	Argus Phosphates, Issue 19-44, October 31, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	21	23	22	11	2019	Argus Phosphates, Issue 19-45, November 7, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	11	2019	Argus Phosphates, Issue 19-46, November 14, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	19	21	20	11	2019	Argus Phosphates, Issue 19-47, November 21, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	18	20	19	11	2019	Argus Phosphates, Issue 19-48, November 28, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	18	20	19	12	2019	Argus Phosphates, Issue 19-49, December 5, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	18	20	19	12	2019	Argus Phosphates, Issue 19-50, December 12, 2019
Phosphate Rock	Red Sea	WC/EC India	25-35	30	18	20	19	12	2019	Argus Phosphates, Issue 19-51, December 19, 2019

Exhibit II-28

Phosphate Rock Subsidy Rate Estimates for OCP in 2019

Benchmark Price	Estimated OCP Price	Estimated Per Unit Benefit ($/t)	Quantity of OCP's Phosphate Rock	OCP Total 2019 Revenue (millions of USD)	Rate %	Methodology Description	Sources
a	*b*	*c = a - b*	*d*	*e*	*f = c * d / e*	*g*	*h*
119.92	21.03	98.89	37,600,000	5,202	**71.5%**	Subsidy rate (%) = (per unit subsidy * quantity of phosphate rock extracted) / OCP 2019 revenue. The per unit subsidy is the difference between the world benchmark price and the OCP price.	The benchmark price of phosphate rock is based on an average of high-quality phosphate rock (BPL % between 68-75%). CRU and Argus Phosphates (from Argus Media) report CFR prices from India and FOB prices from Jordan for high quality phosphate rock, acceptable to Moroccan purchasers such as OCP. CRU and Argus Media are well-respected authorities in the industry. The FOB prices were converted to CFR by adding freight costs. The freight cost for Jordan to Morocco of $12.22 was applied (see Freight table below). The OCP price paid for rock in 2019 is estimated at $21.03, by using information from OCP 2019 financials (see calculations at Estimated Price of Phosphate Rock for OCP). The quantity of phosphate rock extracted is 37.6 million tons (the quantity of production reported by OCP on its website at https://www.ocpgroup.ma/en/who-we-are/our-activities). OCP's total revenue is 54,092 million MAD in 2019, or approximately 5,202 million USD, according to its financial statement for the year ended December 31, 2019.

Phosphate Rock Sources (BPL % and Terms)	2019 Average ($/t)		Data Source
	FOB	CFR (FOB + Freight)	
India (71-75% BPL) Spot/Contract (CFR)		126.13	The CFR price is reported by CRU.
India (68-70% BPL) (CFR)		114.25	CFR price is an average of 2019 quarterly prices reported in *Argus Phosphates,* Argus Media. *See* Issues 19-31, 19-36, 19-40, and 20-1.
India (70-72% BPL) (CFR)		131.25	CFR price is an average of 2019 quarterly prices reported in *Argus Phosphates,* Argus Media. *See* Issues 19-31, 19-36, 19-40, and 20-1.
Jordan (73-75% BPL) Contract (FOB)	111.78	124.01	The FOB price is a 2019 price reported by CRU. CFR ($/t) = FOB ($/t) + freight cost ($/t). The freight cost is the average freight rate from Jordan to Morocco (see below in Freight table).
Jordan (68-70% BPL) (FOB)	91.75	103.97	The FOB price is an average of 2019 quarterly prices reported in *Argus Phosphates,* Argus Media. *See* Issues 19-31, 19-36, 19-40, and 20-1. CFR ($/t) = FOB ($/t) + freight cost ($/t). The freight cost is the average freight rate from Jordan to Morocco (see below in Freight table).
Average		*119.92*	

Freight	2019 Average	Data Source
Phosphate Rock Freight Rate ($/t)	18.24	Average of freight rates ($/t) during 2019 for phosphate rocks reported on a weekly basis in issues of *Argus Phosphates*, Argus Media.
Red Sea to India Freight Rate	17.41	Average of freight rates ($/t) during 2019 for phosphate rocks from Red Sea to WC/EC India, reported on a weekly basis in issues of *Argus Phosphates*, Argus Media.
Jordan to Morocco Freight Rate ($/t)	12.22	Mid rate calculated as (distance from Jordan to Morocco * Average mid rate for all freight quotes) / (Average distance for all freight quotes). *See* Freight Rates compiled from Argus Phosphates.

Exhibit II-29

OCP

	millions of dirhams, unless otherwise stated **2019 FY**			
	All Segments	**Phosphate Rock**	**Source Note**	**Calc Note**
Exchange Rate	0.09617	0.09617	OCP Q4 2019 Presentation, page 2.	
Phos rock per ton (USD)		78.00	OCP 2019 F/S at p. 18	
Phos rock per ton (MAD)		811.06		78 / exchange rate
Total phos rock sales (millions of tons)		11.7		Phos rock per ton * phosphate rock revenue
Total OCP phos rock production (millions of tons)		37.6	https://www.ocpgroup.ma/en/who-we-are/our-activities	
Revenue Allocation %	100%	17.51%		17.51% = 9,474 rock revenue / 54,092 total revenue
Revenue	54,092	9,474	OCP 2019 F/S at p. 5 and 17	
Costs Itemized				
Production held as inventory	(1,901)	(333)	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Phosphate rock segment = total * 17.51%
Purchases consumed (total)	21,768	1,578	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Phosphate rock segment = total * 17.51%
Raw materials (sulfur, ammonia, sulfuric acid, KCL, and other raw materials)	12,759		All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 20.	Did not allocate raw materials purchased to phosphate rock segment.
All other purchases consumed	9,009	1,578	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 20.	Phosphate rock segment = total * 17.51%
External expenses	9,738	1,706	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Phosphate rock segment = total * 17.51%
Transport	5,164	904	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Consulting and fees	547	96	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Contributions and donations	656	115	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Maintenance and repairs	1,562	274	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Leases and lease expenses	173	30	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Insurance premiums	261	46	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Advertising, publications and public relations	284	50	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Postal and telecommunications expenses	114	20	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Researches and documentations	86	15	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Remuneration of personnel outside the company	166	29	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Other external expenses	725	127	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 4.2.2 at page 21.	Phosphate rock segment = total * 17.51%
Personnel	9,213	1,614	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Phosphate rock segment = total * 17.51%
Employee remuneration and related social changes	7,239	1,268	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 5.1 at page 23.	Phosphate rock segment = total * 17.51%
Retirement benefits and medical cover	1,308	229	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 5.1 at page 23.	Phosphate rock segment = total * 17.51%
Other employee benefits	666	117	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement, Note 5.1 at page 23.	Phosphate rock segment = total * 17.51%
Taxes	319	56	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Phosphate rock segment = total * 17.51%
Profit (loss) from joint venture	(360)	(63)	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Phosphate rock segment = total * 17.51%
Exchange gain/loss on operating receivables and payables	68	12	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Phosphate rock segment = total * 17.51%
Other operating income and expenses	(86)	(15)	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Phosphate rock segment = total * 17.51%
Costs (without amortization/depreciation)	**38,759**	**4,554**		Sum of costs
EBITDA	15,333	4,920	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Revenue minus costs
Amortization/depreciation	7,467	1,308	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5	Phosphate rock segment = total * 17.51%
Costs (including amortization/depreciation)	**46,226**	**5,862**		Costs without amortization/depreciation + amortization/depreciation
Operating profit before exceptional items	7,866	3,612	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5.	EBITDA - Amortization/Depreciation
Other nonrecurring operating income and expenses	1,504	1,250	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5.	
Operating profit (loss)	**6,362**	**2,362**	All segments: OCP 2019 F/S Consolidated Profit and Loss Statement at p. 5.	Operating profit before exceptional items - other nonrecurring operating income and expenses
Profit ratio	11.76%	24.94%		Profit ratio = operating profit / total revenue
AUVs using production/extraction quantities:				
Cost per ton of production (MAD/t), using costs incl amortization/depreciation		155.89		
Cost per ton of production (USD/t), using costs incl amortization/depreciation		14.99		
Profit per ton of production (MAD/t)		62.83		
Profit per ton of production (USD/t)		6.04		
Cost + profit per ton of production (MAD/t), using costs incl amortization/depreciation		218.72		
Cost + profit per ton of production (USD/t), using costs incl amortization/depreciation		**21.03**		

Exhibit II-30

OCP

FULL YEAR AND 4Q 2016 EARNINGS CONFERENCE CALL PRESENTATION

MARCH 23RD 2017

2016 - 2017: A KEY MILESTONE IN OCP STRATEGY WITH THE COMPLETION OF PHASE 1 OF OUR CAPEX PLAN

1 Capacity leadership

- ✓ **12 MT Fertilizers capacity**
  (Twice as large as second exporter)
- ✓ **18 MT Rock export capacity**
  (Three times as large as second exporter)
- ✓ **Major infrastructure built for ~20 MT fertilizer export capacity**

2 Cost leadership

- ✓ **Rock production cost reduced from \$34/T to less than \$20/T[(1)]**
  (from 2013 to 2017 E)
- ✓ **14 MT additional rock capacity at optimized costs** *(incl. Mine, beneficiation and Pipeline)*

3 Flexibility

- ✓ **Strong customization and product flexibility**
  Between DAP/NPK/NPS/TSP…
- ✓ **Leadership position on all P segments and in all geographies**
  - 1/3 of revenue in the Americas
  - 1/3 in Asia
  - 1/3 in Europe and Africa

(1) Delivered to the Jorf Lasfar plant

Exhibit II-31

Dahir (Royal Decree) no. 1-95-154 of 18 Rabii I 1416 (16 August 1995) promulgating Law no. 10-95 on water Official State Gazette no. 4325 of 20 September 1995

Law no. 10-95 on Water

Preamble

Water is a natural resource at the heart of life and an essential staple for most of the economic activities of man.

It is also rare, and indeed is a resource whose availability is marked by a pronounced irregularity in time and space. It is, finally, highly vulnerable to the negative effects of human activities.
Social and economic development needs make it imperative to turn to water development to meet the populations' needs. These needs are themselves in continuous growth, and often compete with and even contradict each other, which makes the water management process highly complex and difficult to implement.

To deal with this situation, it is indispensable to have, among other supporting factors, effective legal instruments with a view to organizing the distribution and control of water resource use, and to ensuring the protection and conservation of water resources.

Current water legislation in Morocco

The rules governing the hydrological public domain have diverse origins. However, in Morocco, the first text regarding water dates from 1914. This was the Dahir (Royal Decree) of 7 Chaabane 1332 (1 July 1914) on the public domain that, completed by the Dahirs of 1919 and 1925, comprehends all the waters, whatever their form, in the hydrological public domain.

Since that date, water resources cannot be the object of a private appropriation, except waters to which the rights have been legally acquired. Other texts were drafted afterward in order to deal with the new needs that made themselves felt.

As a whole, the essential texts regarding water date back to the first decades of this century. Because they were written according to needs and circumstances of their time, current Moroccan legislation on water takes the form of a group of scattered texts that have been updated by stages during different periods. Today this legislation is no longer adapted to the modern organization of the country and no longer responds to the needs of its socioeconomic development.

Indeed, the current conditions of water use are no longer those that prevailed at the beginning of the century, when water resources were much less demanded than they are today, because of the low demand for water and inefficient mobilization techniques.

It is for all these reasons that a consolidation of the current water legislation, and its unification in a single law, has proven to be necessary. Within the framework of this consolidation, this law will not be limited to the consolidation of the legislation in effect, but also, and above all, aims to complete it, on one hand, with provisions relative to the domains that it did not previously cover and, on the other hand, to regularize the legal system for water resources.

The benefits of the law on water

In each of these zones, the authorizations or concessions of water collection are only granted when the water withdrawn is to be used for human consumption or for watering livestock.

Chapter VI: The Fight Against Water Pollution

Article 51: For the intents and purposes of this Law, the following terms are defined as:

– wastewater: water that has undergone a modification of its composition or state as a result of being used;
– polluted water: water that, due to human activity, has directly or indirectly or through the action of a biological or geological effect, undergone a modification of its composition or state which has made it unfit for the use for which it is intended.

The administration establishes quality standards with which water must comply according to the use that is to be made of it.

Article 52: No discharges, spills, disposals, and direct or indirect releases into surface water or groundwater that are likely to modify its physical characteristics, to include thermal, radioactive, chemical, biological or bacteriological properties, may be effected without previous authorization granted by the basin agency after conducting an inquiry.

In the event that the authorization mentioned in the subparagraph above must be issued at the same time as the authorization provided for in article 38 or the concession stipulated in article 41 of this Law, this authorization or concession defines the terms of collections and discharges. The public inquiry is conducted simultaneously and must not take longer than 30 days.

This authorization gives rise to the payment of fees under the terms set through normal regulatory channels.

The fees can be collected, according to the terms set through normal regulatory channels, both from the owner of the discharge, spill, disposal, or direct or indirect release facilities, and from the operator of the said facilities, who are jointly and severally liable to pay these fees.

Article 53: All discharges, spills, disposals, and direct or indirect releases into surface water or a groundwater body cited in article 52 above that exist on the date of publication of this Law must, within a time limit set by the basin agency, be formally declared.

The declaration is equivalent to an application for authorization and is processed as such, on the basis of the provisions of this Law.

Article 54: It is forbidden to:

1. dump wastewaters or solid wastes into dry wadis, wells, livestock watering places, public wash houses, boreholes, canals or water collection tunnels. The only permitted action of this type is the discharge of domestic wastewater into soaking pits preceded by a septic tank.

2. perform surface spreading or burial of effluents and any discharge of wastes likely to pollute groundwaters by infiltration or surface water by runoff;

3. wash clothing and other objects, particularly meats, skins or other animal products, in the waters of séguias, water-lines, aqueducts, pipelines, reservoirs or wells that supply towns or cities, public places and inside the protection areas surrounding these same séguias, water-lines, aqueducts, pipelines, reservoirs or wells.

Exhibit II-32

Dahir n° 1-15-87 du 29 ramadan 1436 (16 juillet 2015) portant promulgation de la loi n° 81-12 relative au littoral.

LOUANGE A DIEU SEUL !

(Grand Sceau de Sa Majesté Mohammed VI)

Que l'on sache par les présentes – puisse Dieu en élever et en fortifier la teneur !

Que Notre Majesté Chérifienne,

Vu la Constitution, notamment ses articles 42 et 50,

A DÉCIDÉ CE QUI SUIT :

Est promulguée et sera publiée au *Bulletin officiel*, à la suite du présent dahir, la loi n° 81-12 relative au littoral, telle qu'adoptée par la Chambre des représentants et la Chambre des conseillers.

Fait à Casablanca, le 29 ramadan 1436 (16 juillet 2015).

Pour contreseing :

Le Chef du gouvernement,

ABDEL-ILAH BENKIRAN.

*

* *

Loi n° 81-12

relative au littoral

Chapitre premier

Objectifs et définitions

Article premier

La présente loi établit les principes et les règles fondamentaux d'une gestion intégrée durable du littoral en vue de sa protection, de sa mise en valeur et de sa conservation.

Elle a pour objet de :

- préserver l'équilibre des écosystèmes du littoral, la biodiversité et de protéger le patrimoine naturel et culturel, les sites historiques, archéologiques, écologiques et les paysages naturels ;
- prévenir, lutter et réduire la pollution et la dégradation du littoral et assurer la réhabilitation des zones et des sites pollués ou détériorés ;
- assurer le libre accès du public au rivage de la mer ;
- promouvoir une politique de recherche et d'innovation en vue de valoriser le littoral et ses ressources.

Article 2

Au sens de la présente loi et des textes pris pour son application, on entend par :

1) **Littoral** : zone côtière constituée :

- *côté terre* : du domaine public tel que fixé au *a*) de l'article premier du dahir du 7 chaabane 1332 (1er juillet 1914) sur le domaine public et les eaux maritimes intérieures tels les estuaires, les baies, les étangs, les sebkhas, les lagunes ainsi que les marais salants et les zones humides communiquant avec la mer et les cordons dunaires côtiers ;
- *côté mer* : du rivage de la mer et de l'étendue des eaux maritimes situées au-delà de ce rivage jusqu'à une distance en mer de 12 milles marins.

2) **Gestion intégrée du littoral** : gestion harmonieuse des zones littorales prenant en considération les aspects environnementaux, socio-économiques et institutionnels permettant de garantir l'équilibre et la pérennité des multiples fonctions du littoral ;

3) **Cordon dunaire côtier** : bande de sable résultant d'un courant côtier et permettant le développement d'une végétation spécifique ;

4) **Endiguement** : le fait d'ériger des obstacles artificiels aux fins de contenir les eaux marines ;

5) **Enrochement** : accumulation artificielle de roches, de blocs de béton ou d'autres matériaux sur une terre immergée en vue de leur utilisation comme soubassement pour ériger des ouvrages immergés ou pour assurer leur protection ;

6) **Remblaiement** : la réalisation d'obstacles artificiels en vue d'obstruer en totalité ou en partie les eaux du littoral ;

7) **Rivage de la mer** : zone de contact entre la terre et la mer déterminée par les limites des marées ;

8) **Rejet** : tout déversement ou immersion d'eaux usées, de déchets, de substances ou de produits provoquant une pollution du littoral telle que définie au 9) ci-dessous ;

Article 35

La qualité des eaux de baignade est soumise à un contrôle périodique et régulier. L'administration compétente procède à un classement des plages en fonction de la qualité de leurs eaux de baignade sur la base de normes et de critères fixés par voie réglementaire.

Le classement des plages ainsi que les résultats des analyses des eaux de baignade sont portées à la connaissance du public par tous moyens de communication et font l'objet d'un affichage sur les plages concernées.

Les présidents des communes doivent prendre les mesures nécessaires pour interdire la baignade dans les eaux qui ne répondent pas aux normes et critères requis.

Article 36

L'utilisation de véhicules nautiques à moteur et d'engins de loisirs nautiques est interdite en dehors des espaces du littoral réservés à cet effet.

Les règles d'utilisation et de circulation de ces véhicules et engins sur le littoral sont fixées par voie réglementaire.

Chapitre VI

De la protection du littoral contre la pollution

Article 37

Tout rejet causant une pollution du littoral est interdit.

Toutefois, l'administration compétente peut autoriser, dans les conditions fixées par le présent chapitre, le déversement de rejets liquides ne dépassant des valeurs limites spécifiques. Cette autorisation donne lieu au paiement par son bénéficiaire d'une redevance, lorsque lesdits rejets sont supérieurs à des valeurs limites générales.

Sont fixées par décret :

- les valeurs limites générales et les valeurs limites spécifiques de déversement de rejets liquides après consultation des organismes de la recherche scientifique compétents ;
- les méthodes de calcul du montant de la redevance.

Le recouvrement de la redevance est effectué conformément à la législation en vigueur en matière de recouvrement des créances publiques.

Article 38

Sans préjudice de l'application de législations ou de réglementations particulières, les dispositions du présent chapitre s'appliquent aux rejets effectués par :

- les navires, les plates-formes et installations artificielles érigées en mer et les aéronefs ;
- les activités telluriques à caractère industriel, commercial, agricole, touristique ou autre ;
- les groupements d'habitations.

Toutefois, sont exemptés de l'interdiction visée à l'article 37 ci-dessus :

- les rejets effectués par un navire pour assurer sa sécurité ou celle d'un autre navire, de son équipage ou de ses passagers ou pour sauver des vies humaines en mer, sous réserve toutefois que lesdits rejets soient le seul moyen de faire face au danger ;
- les rejets effectués par un navire suite à une avarie dudit navire ou de ses équipements, sous réserve que toutes les mesures d'usage aient été prises sitôt l'avarie découverte pour empêcher, réduire ou en limiter les conséquences ;
- les produits déversés dans le but de réduire ou de lutter contre la pollution du littoral, sur demande de l'Administration et sous sa supervision, conformément aux conditions fixées par les clauses d'un cahier de charges.

Article 39

Sont fixées par voie réglementaire :

- les modalités de constitution et de dépôt du dossier de la demande d'autorisation de déversement de rejets liquides visée à l'article 37 ci-dessus ;
- les modalités de délivrance de ladite autorisation.

Article 40

L'autorisation est délivrée pour une durée ne dépassant pas cinq (5) ans renouvelable dans les mêmes conditions et modalités.

Dans l'autorisation, il est notamment fait mention de l'identité du bénéficiaire et de la nature, la composition, le volume, le lieu et la fréquence des rejets autorisés ainsi que des conditions et méthodes devant être utilisées par le bénéficiaire et des mesures que celui-ci doit prendre pour prévenir, limiter ou réduire les nuisances occasionnées par lesdits rejets.

L'autorisation est nominative et ne peut être cédée ou transférée, à quelque titre que ce soit. Elle est retirée par l'autorité qui l'a délivrée dans les cas suivants :

- si l'une des obligations fixées dans l'autorisation n'a pas été respectée ;
- si de nouvelles données scientifiques ou techniques intervenues après la délivrance de ladite autorisation établissent que les eaux littorales, les espèces de la flore ou de la faune sauvages, l'environnement littoral en général ou les zones dans lesquelles les rejets ont lieu sont menacés ;
- si les rejets ont des effets négatifs sur l'écosystème du littoral plus graves que ceux prévus lors de la délivrance de l'autorisation ou s'ils mettent en danger la vie ou la santé humaine.

Article 41

Tout bénéficiaire de l'autorisation visée à l'article 37 ci-dessus doit consigner sur un registre qu'il tient à cet effet toutes les informations relatives aux rejets effectués dans le cadre de ladite autorisation. Un modèle de ce registre est fixé par voie réglementaire.

Chapter VI

Coastal protection against pollution

Article 37

Any discharge causing coastal pollution is prohibited.

However, the competent administration may authorize, under the conditions laid down in this chapter, the discharge of liquid waste not exceeding specific general values. This authorization should result in the payment of a fee by its beneficiary, when such discharges exceed general maximum values.

The following are set by decree:

- General limit values and specific limit values for the discharge of liquid waste after consultation with the competent scientific research bodies;
- The methods for calculating the amount of the fee.
- The fee is collected in accordance with the current legislation on recovery of public debts.

Exhibit II-33

Environmental, Health and Safety Guidelines for Phosphate Fertilizer Manufacturing

Introduction

The Environmental, Health, and Safety (EHS) Guidelines are technical reference documents with general and industry-specific examples of Good International Industry Practice (GIIP)[1]. When one or more members of the World Bank Group are involved in a project, these EHS Guidelines are applied as required by their respective policies and standards. These industry sector EHS guidelines are designed to be used together with the **General EHS Guidelines** document, which provides guidance to users on common EHS issues potentially applicable to all industry sectors. For complex projects, use of multiple industry-sector guidelines may be necessary. A complete list of industry-sector guidelines can be found at: www.ifc.org/ifcext/enviro.nsf/Content/EnvironmentalGuidelines

The EHS Guidelines contain the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable costs. Application of the EHS Guidelines to existing facilities may involve the establishment of site-specific targets, with an appropriate timetable for achieving them.

The applicability of the EHS Guidelines should be tailored to the hazards and risks established for each project on the basis of the results of an environmental assessment in which site-specific variables, such as host country context, assimilative capacity of the environment, and other project factors, are taken into account. The applicability of specific technical recommendations should be based on the professional opinion of qualified and experienced persons.

When host country regulations differ from the levels and measures presented in the EHS Guidelines, projects are expected to achieve whichever is more stringent. If less stringent levels or measures than those provided in these EHS Guidelines are appropriate, in view of specific project circumstances, a full and detailed justification for any proposed alternatives is needed as part of the site-specific environmental assessment. This justification should demonstrate that the choice for any alternate performance levels is protective of human health and the environment.

Applicability

The EHS Guidelines for Phosphate Fertilizer Manufacturing includes information relevant to facilities that produce phosphoric acid, single superphosphate (SSP), triplesuperphosphate (TSP), and compound fertilizers (NPK). Annex A contains a description of industry sector activities. This document is organized according to the following sections:

Section 1.0 — Industry-Specific Impacts and Management
Section 2.0 — Performance Indicators and Monitoring
Section 3.0 — References and Additional Sources
Annex A — General Description of Industry Activities

[1] Defined as the exercise of professional skill, diligence, prudence and foresight that would be reasonably expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally. The circumstances that skilled and experienced professionals may find when evaluating the range of pollution prevention and control techniques available to a project may include, but are not limited to, varying levels of environmental degradation and environmental assimilative capacity as well as varying levels of financial and technical feasibility.

- Minimize contact between wastes containing NO_X and NH_3 to prevent aerosol formation in NPK nitrophosphate route;
- Reduce aerosol emission by installing cyclones and scrubbers;
- Reduce fluorides emissions by recycling of warm air.

Fugitive Emissions

Fugitive emissions are primarily associated with operational leaks from tubing, valves, connections, flanges, packings, open-ended lines, floating roof storage tank and pump seals, gas conveyance systems, compressor seals, pressure relief valves, tanks or open pits/containments, and loading and unloading operations of products.

Recommended measures for reducing the generation of fugitve emissions include:

- Selection of appropriate valves, flanges, fittings during design, operation, and maintenance;
- Implementation of monitoring, maintenance, and repair programs, particularly in stuffing boxes on valve stems and seats on relief valves, to reduce or eliminate accidental releases;
- Installation of leak detection and continuous monitoring in all sensitive areas;
- Use of open vents in tank roofs should be avoided by installing pressure relief valves. All storages and unloading stations should be provided with vapor recovery units. Vapor processing systems may consist of different methods, such as carbon adsorption, refrigeration, recycling collecting and burning.

Wastewater

Effluents – Phosphoric Acid Production

Effluents from phosphoric acid plants consist of discharges from the vacuum cooler condensers and the gas scrubbing systems used for condensation and cleaning of vapors from process operations. Condensed acidic vapors may contain fluorine and small amounts of phosphoric acid. Water from the slurry used to transport phosphogypsum, the by-product from wet phosphoric acid production, may be released as effluent if it is not recirculated back into the process. Emissions to water for the disposal of gypsum may contain a considerable amount of impurities, such as phosphorus and fluorine compounds, cadmium and other heavy metals, and radionuclides. Drainage from material stockpiles may contain heavy metals (e.g. Cd, mercury [Hg], and Pb),fluorides, and phosphoric acid. Specific emissions to water from the thermal process of phosphoric acid production may include phosphorus and fluorine compounds, dust, heavy metals, and radionuclides (e.g., Po-210 and Pb-210). Recommended effluents management measures include the following:[7]

- Select phosphate rock with low levels of impurities to produce clean gypsum and reduce potential impacts from disposal of gypsum;
- Consider dry systems for air pollution abatement (versus wet scrubbing) to reduce wastewater generation. To reduce fluoride emissions, the installation of scrubbers with suitable scrubber liquids may be necessary;
- Recover fluorine released from the reactor and evaporators as a commercial by-product (fluosilicic acid);
- Scrubber liquors should be disposed of after neutralization with lime or limestone to precipitate fluorine as solid calcium fluoride, if the fluorine is not to be recovered;
- Recycle water used for the transport of phosphogypsum back into the process following a settling step;
- Where available, consideration should be given to use seawater as scrubbing liquid, to facilitate reaction of fluorine to harmless calcium fluoride;

[7] IPPC BREF (2006) and EFMA (2000a)

- Minimize contamination of the scrubber effluent with phosphorus pentoxide (P_2O_5) by conveying vapors from vacuum flash coolers and vacuum evaporators to a separator to remove phosphoric acid droplets;
- Minimize contamination of the scrubber effluent with phosphorus pentoxide P_2O_5 using entrainment separators. Additional phosphate removal can be achieved by applying magnesium ammonium phosphate (struvite) or by calcium phosphate precipitation;
- Consider decadmation of H_3PO_4 up to 95% by reactive extraction with an organic solvent.

Effluents - Superphosphate Fertilizer Production

The main source of wastewater in phosphate fertilizer production is the wet scrubbing systems to treat off-gases. Contaminants may include filterable solids, total phosphorus, ammonia, fluorides, heavy metals (e.g. Cd, Hg, Pb), and chemical oxygen demand (COD). Recycling of scrubber liquids back into the process should be maximized. Production of acidulated phosphate rock (PAPR), a fertilizer product consisting of a mixture of superphosphate and phosphate rock, in addition to superphosphate (SSP), and triplesuperphosphate (TSP) products can reduce wastewater volumes[8].

Effluents - Compound Fertilizer Production

Effluents are usually limited from NPK mixed acids route facilities, mainly consisting of wastewater from granulation and exhaust gas scrubbing.

Effluent from NPK facilities employing the nitrophosphate route may contain ammonia, nitrate, fluoride and phosphate. Ammonia is found in the effluents of the condensates of the ammonium nitrate evaporation or the neutralization of the nitro phosphoric acid solution. Solutions containing ammonium nitrate must be pumped with care to limit the risks of explosions. The main sources of nitrate and fluoride levels in effluent are the scrubber liquors from phosphate digestion and sand (removed from the process slurry) washing. Washing of sand also generates phosphate content in the effluent.

Recommended effluent management measures include the following[9]:

- Recycle the sand washing liquor to reduce phosphate levels in wastewater effluents;
- Avoid co-condensation of vapors from ammonium nitrate evaporation;
- Recycle NO_X scrubber liquor to reduce ammonia, nitrate, fluoride and phosphate levels;
- Recycle liquors resulting from scrubbing of exhaust gases from neutralization;
- Consider reusing effluents as scrubber medium;
- Treat multi-stage scrubbing liquors, after circulation, through settling (separation of solids), and recycle the thickened portion back to the reactors.
- Consider combined treatment of exhaust gases from neutralization, evaporation and granulation. This enables a recycling of all scrubber liquids to the production process and reduce waste water generation;
- Treat waste water through a biological treatment with nitrification/denitrification and precipitation of phosphorous compounds.

Process Wastewater Treatment

Techniques for treating industrial process wastewater in this sector include filtration for separation of filterable solids; flow and load equalization; sedimentation for suspended solids reduction using clarifiers; phosphate removal using physical-chemical treatment methods; ammonia and nitrogen removal

[8] IPPC BREF (2006)

[9] IPPC BREF (2006) and EFMA (2000b,c)

using physical-chemical treatment methods; dewatering and disposal of residuals in designated waste landfills. Additional engineering controls may be required for (i) fluoride removal and (ii) advanced metals removal using membrane filtration or other physical/chemical treatment technologies

Management of industrial wastewater and examples of treatment approaches are discussed in the **General EHS Guidelines**. Through use of these technologies and good practice techniques for wastewater management, facilities should meet the Guideline Values for wastewater discharge as indicated in the relevant table of Section 2 of this industry sector document.

Other Wastewater Streams & Water Consumption

Guidance on the management of non-contaminated wastewater from utility operations, non-contaminated stormwater, and sanitary sewage is provided in the **General EHS Guidelines**. Contaminated streams should be routed to the treatment system for industrial process wastewater. Recommendations to reduce water consumption, especially where it may be a limited natural resource, are provided in the **General EHS Guidelines**.

Hazardous Materials

Phosphate fertilizer manufacturing plants use, store, and distribute significant amounts of hazardous materials (e.g. acids and ammonia). Recommended practices for hazardous material management, including handling, storage, and transport, are presented in the **General EHS Guidelines**. Manufacture and distribution of materials should be conducted according to applicable international requirements where applicable.[10]

Wastes

Non-hazardous solid wastes may be generated from some phosphate fertilizer manufacturing processes, including phosphogypsum from wet phosphoric acid production, and quartz sand from NPK production using the nitrophosphate route. Quartz sand should be separated, washed, and recycled as a building material. There is limited hazardous waste generated from the phosphate fertilizer manufacturing processes. In addition to the industry specific information provided below, guidance on the management of hazardous and non-hazardous wastes is provided in the **General EHS Guidelines**.

Phosphogypsum

Phosphogypsum is the most significant by-product in wet phosphoric acid production (approximately 4 - 5 tons of phosphogypsum is produced for every ton of phosphoric acid, as P_2O_5, produced[11]). Phosphogypsum contains a wide range of impurities (residual acidity, fluorine compounds, trace elements such as mercury, lead and radioactive components[12]). These impurities and considerable amounts of phosphate might be released to the environment (soil, groundwater and surface water).Industry-specific pollution prevention and control practices include[13]:

- Depending on its potential hazardousness (e.g. whether it emits radon) phosphogypsum may be processed to improve its quality and reused (e.g. as building material). Possible options include:
  - o Production of cleaner phosphogypsum from raw materials (phosphate rock) with low levels of impurities
  - o Use of repulping

10 For example, the Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides.

11 Gypsum contains a wide range of impurities (residual acidity, fluorine compounds, trace elements such as mercury, lead and radioactive components). IPPC BREF (2006)

12 Phosphate rock, phosphogypsum and the effluents produced from a phosphoric acid plant have generally a lower radioac-tivity than the exemption values given in the relevant international regulations and guidelines (for example, EU Directive 96/26/EURATOM)

13 IPPC BREF (2006) and EFMA (2000a,b,c)

- Use of di-hemihydrate recrystallization process with double stage filtration;
- If phosphogypsum can not be recycled due to the unavailability of commercially and technically viable alternatives, it should be managed as a hazardous or non-hazardous industrial waste, depending on its characteristics, according to the guidance in the **General EHS Guidelines.**[14] Additional management alternatives may include backfilling in mine pits, dry stacking[15], and wet stacking.

Noise

Noise is generated from large rotating machines, including compressors and turbines, pumps, electric motors, air coolers, rotating drums, spherodizers, conveyors belts, cranes, fired heaters, and from emergency depressurization. Guidance on noise management is provided in the **General EHS Guidelines**.

1.2 Occupational Health and Safety

The occupational health and safety issues that may occur during the construction and decommissioning of phosphate fertilizer manufacturing facilities are similar to those of other industrial facilities, and their management is discussed in the **General EHS Guidelines**.

Facility-specific occupational health and safety issues should be identified based on job safety analysis or comprehensive hazard or risk assessment, using established methodologies such as a hazard identification study [HAZID], hazard and operability study [HAZOP], or a quantitative risk assessment [QRA]. As a general approach, health and safety management planning should include the adoption of a systematic and structured approach for prevention and control of physical, chemical, biological, and radiological health and safety hazards described in the **General EHS Guidelines**.

The most significant occupational health and safety hazards occur during the operational phase of phosphate fertilizer manufacturing facilities and primarily include:

- Process Safety
- Chemical hazards
- Decomposition, fires and explosions

Process Safety

Process safety programs should be implemented, due to industry-specific characteristics, including complex chemical reactions, use of hazardous materials (e.g. toxic, reactive, flammable or explosive compounds), and multi-step reactions.

Process safety management includes the following actions:

- Physical hazard testing of materials and reactions;
- Hazard analysis studies to review the process chemistry and engineering practices, including thermodynamics and kinetics;
- Examination of preventive maintenance and mechanical integrity of the process equipment and utilities;
- Worker training;
- Development of operating instructions and emergency response procedures.

Chemical Hazards

Ammonia and acids vapors, especially HF, are common toxic chemicals in phosphate fertilizer plants. Threshold values associated with specific health effects can be found in internationally published exposure guidelines (see Monitoring below). In addition to guidance on chemical exposure provided in the General EHS Guidelines, the following are

[14] The classification of phosphogypsum as a hazardous or non-hazardous waste may depend on the level of radon emissions of the material. Removal of this material from stack and subsequent disposal may be subject to specific regulatory requirements depending on the jurisdiction.
[15] It should be noted that dry stacking does not eliminate acid water seepage except in very arid climates.

Exhibit II-34

OCP

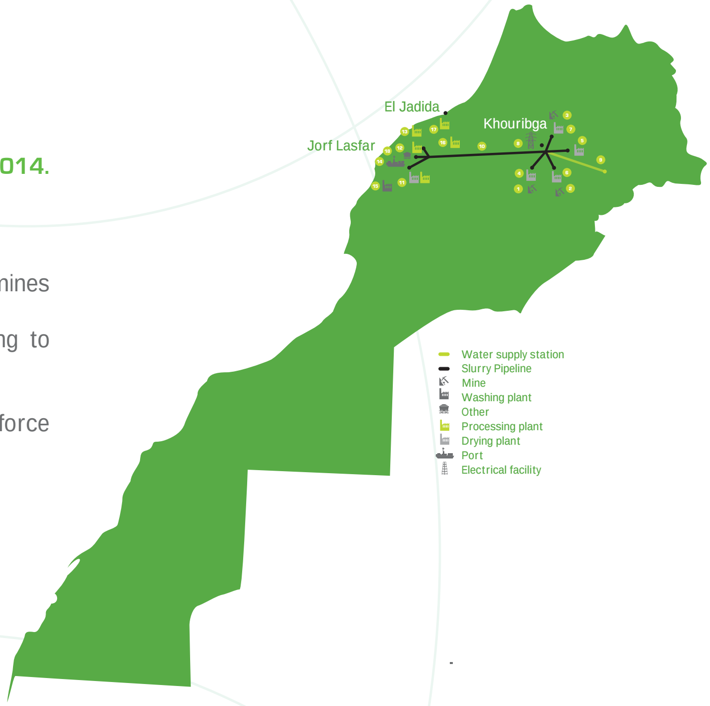
ACTIVITY REPORT 2013

INDUSTRIAL PROGRAM

18 megaprojects to be completed between 2008 and 2014.

Main developments:

- New El Halassa mine and washing facility;
- Adaptation and upgrading of existing Merah and Daoui mines and washing facilities;
- Cost cutting and optimization of transport while moving to hydraulic transport by pipeline;
- New acid and fertilizer granulation and production units;
- Increase of length of docks and their enlargement to reinforce port capacities.



	Project	Capacity
1	Mine El Halassa	6 MT/year
2	Mine Ouled Fares	6 MT/year
3	Mine Zone Centrale	6 MT/year
4	Laverie El Halassa	12 MT/year
5	Laverie Merah	12 MT/year
6	Laverie Ouled Fares	14 MT/year
7	Laverie Daoui	7 MT/year
8	Électricité Khouribga	100 MW*
9	Maroc Central	45 Mm^3/year*
10	Slurry Pipeline	38 MT/year

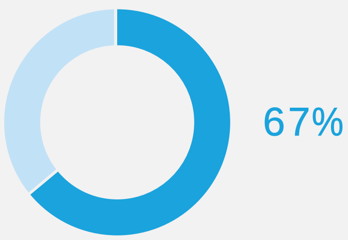
	Project	Capacity
11	Downstream	10.5 MT/year
12	JPH	-
13	Maroc Phosphore	-
14	Port de Jorf	-
15	Dessalement Jorf	25 Mm^3/year*
16	2 lignes DAP	-
17	ODI	1 MT/year
18	Gypsum	30 m^3/s**

* 25 Mm^3 per year in the first stage. In the medium term, capacity will reach 75 Mm^3.

** Gypsum waste for all the paltform is expected to be of 30 m^3/s.

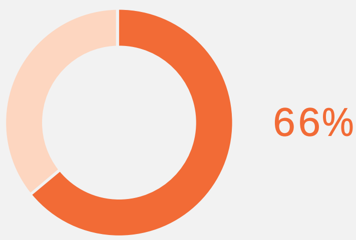
ACTIVITIES - MINING

Khouribga Contribution – Mining Production (in %)
18.5 MT
+2.6% compared to 2012



Total tonnage extracted: 27.6 MT
-3% compared to 2012

Khouribga Contribution – Marketable Production (in %)
17.4 MT
-1% compared to 2012



Total marketable production: 26.4 MT
-2.5% compared to 2012

Infrastructures common to all systems

The platform includes a common infrastructure offering a set of installations for the storage of raw materials, the packaging and handling of the end products between the chemical units and the port. The project actually provides the completion of circuits pertaining to:

- Supply of pulp and raw materials necessary for the processes to recycle phosphates;
- Energy supply: new network configuration making it possible to optimize exchanges with ONEE;
- Fresh water and seawater supply: seawater distribution facilities with an annual capacity of 110 Mm^3 and fresh water from the planned desalination station;
- Shared discharge of gypsum, through a project of 33 offshore undersea pipes with a capacity of 30 m^3 / s for a budget of 1.4 billion dirhams, constructed to evacuate gypsum discharges;
- Steam production and supply by the installation of six boilers with a capacity of 6 * 25 t / hr;
- Handling of fertilizers and the acids intended for export, from the industrial platform of the Jorf Lasfar Port;
- Hub Fire Protection.

Phosphoric acid production units at Jorf Lasfar

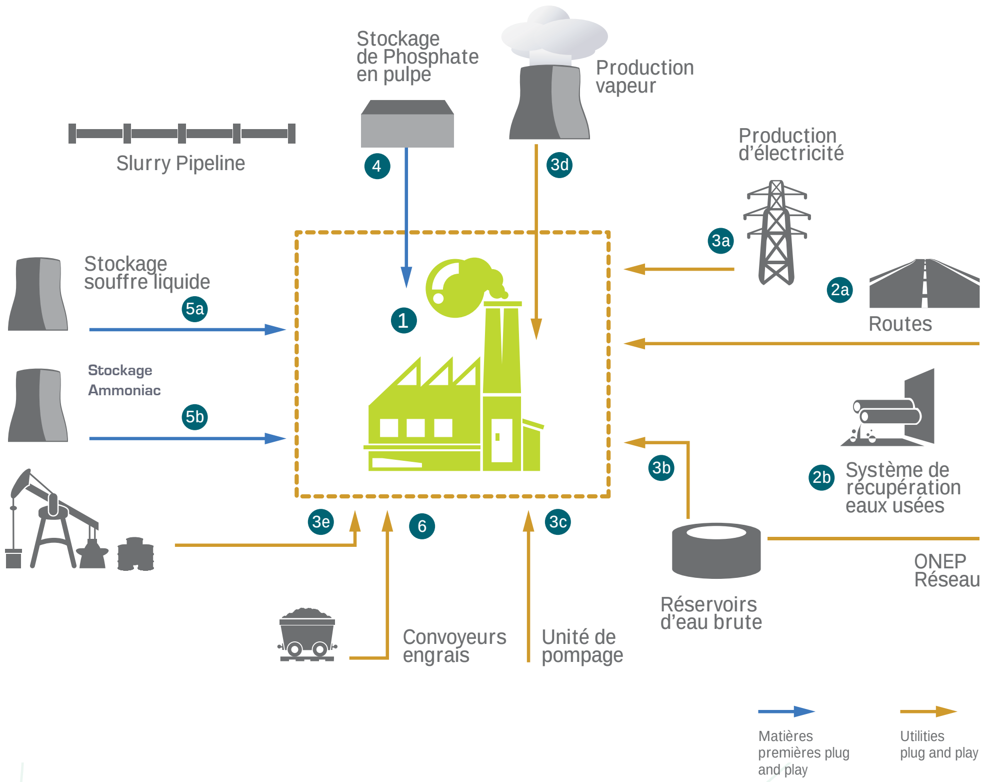


Exhibit II-35

Etude des facteurs influençant la répartition géographique et temporelle de la contamination des côtes atlantiques marocaines par les métaux lourds : cas du mercure, du plomb et du cadmium

Survey of the carriers influencing the geographical and temporal distribution of contamination by heavy metals along the Atlantic Moroccan coasts: the case of mercury, lead and cadmium

Samir Benbrahim, Abdelghani Chafik, Rachid Chfiri, Fatima Zohra Bouthir, Mostafa Siefeddine, Ahmed Makaoui

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Résumé

Benbrahim S., A. Chafik, R. Chfiri, F. Zohra Bouthir, M. Siefeddine, A. Makaoui – Etude des facteurs influençant la répartition géographique et temporelle de la contamination des côtes atlantiques marocaines par les métaux lourds : cas du mercure, du plomb et du cadmium. *Mar. Life*, 16 (1-2) : 37-47.

Le présent travail, réalisé dans le cadre d'un programme de surveillance de la qualité du milieu marin, porte sur l'étude des facteurs influençant la contamination du littoral atlantique marocain par les métaux lourds (Cd, Pb, Hg), en utilisant les moules comme bioindicatrices de pollution (*Mytilus galloprovincialis* et *Perna perna*).

La répartition géographique des métaux montre que le secteur nord du littoral atlantique marocain se caractérise par une contamination par le plomb, qui se manifeste essentiellement au niveau de la zone de Ain Sbâa à Casablanca, recevant des eaux usées urbaines et industrielles de la ville et des concentrations plus élevées en mercure, particulièrement au niveau du site de la plage Hmimou à Mohammadia, avoisinant les rejets industriels d'une société d'électrolyse. Les secteurs du centre et du sud révèlent une contamination par le cadmium, qui enregistre des taux non négligeables dans les zones situées à proximité des points de rejets des industries de transformation des phosphates, situées à Jorf Lasfar, dans la région d'El Jadida et à Safi. Plus au sud, les teneurs en Cd baissent, sans toutefois atteindre les faibles concentrations enregistrées au nord. L'enrichissement de la région sud par le Cd pourrait être lié au phénomène d'upwelling.

La répartition temporelle semble suivre le cycle de reproduction de la moule. Les éléments analysés, mis à part le Cd, montrent que la période hiver – printemps est affectée par les fortes concentrations, et la période d'été se caractérise par les concentrations les plus faibles. Pour le cadmium, les résultats montrent que l'upwelling et les apports anthropiques influencent le cycle de sa bioaccumulation. En effet, au niveau des zones influencées par l'upwelling, les concentrations maximales sont enregistrées en été et coïncident avec la période de résurgence des eaux profondes.

MOTS CLÉS :
contamination, littoral atlantique, métaux lourds, moule.

Variations temporelles des taux de contamination

Les résultats des variations temporelles de l'accumulation des métaux lourds dans les échantillons des deux espèces de moules (*Mytilus galloprovincialis* et *Perna perna*) sont regroupés dans la **figure 3**. Ils correspondent aux teneurs moyennes calculées en fonction des saisons de prélèvement (hiver, printemps, été, automne). Ces résultats permettent de constater que :

– pour le mercure et le plomb, les teneurs maximales sont enregistrées pendant la saison printanière ou parfois l'hiver, et les teneurs minimales apparaissent pendant la saison estivale ou en automne. La variation des concentrations par rapport à la saison n'est pas régulière dans toutes les stations d'échantillonnage, et reste parfois difficile à distinguer au niveau de certains sites ou les teneurs sont très faibles (Akhefnir, Tarouma, Aoufist, Dunfort),

– pour le cadmium, les résultats ne semblent pas suivre la même évolution spatio-temporelle. Aucune corrélation entre la variation saisonnière et les concentrations maximales n'est respectée.

Discussion

Répartition géographique des taux de contamination

Mercure : Les teneurs en mercure relevées dans les secteurs littoraux nord et sud présentent un niveau de contamination inférieur à celui du secteur central. Le site le plus contaminé est celui de la plage Hmimou à Mohammadia. La contamination de ce site serait due aux rejets liquides d'une société d'électrolyse implantée dans cette région, qui utilise des cathodes en mercure pour l'obtention du chlore et de la soude (Bouthir *et al.,* 2004). La contamination des autres sites pourrait être liée notamment aux apports anthropiques émanant des différentes activités humaines de la région. Au niveau de la zone industrielle de la ville de Casablanca, nous constatons que le taux de contamination du site d'Ain Sbâa reste inférieur à 0,4 mg/kg.ps, dénotant un faible apport anthropique et une utilisation modérée de cet élément dans les unités industrielles de cette zone. Par ailleurs, dans les zones éloignées des sources de pollution, les concentrations enregistrées s'approchent des valeurs naturelles (Gill, Fitzgerald, 1985).

Par comparaison avec les résultats des différentes études effectuées à travers le monde, le niveau de contamination par le mercure des côtes atlantiques marocaines reste très proche de celui des autres régions du globe, notamment les côtes écossaises : 0,17 à 2,58 mg/kg.ps (Davies, Pirie, 1980), la mer Adriatique : 0,16 à 2,36 mg/kg.ps (Strohal, Dzajo, 1971), la Nouvelle Zélande : 1,11 à 2,69 mg/kg.ps (Nielsen, Nathan, 1975) et la Corée : 0,45 à 2,07 mg/kg.ps (Won, 1973).

Plomb : Le niveau d'accumulation le plus élevé est enregistré dans la région nord (Tanger – Casablanca), qui connaît la plus forte concentration urbaine et industrielle du pays. Le site le plus touché est celui de Ain Sbaâ à Casablanca, dénotant un apport important en Pb dans le milieu récepteur. La contamination par cet élément est attribuée essentiellement aux rejets liquides urbains et industriels, ainsi qu'à la pollution générée par la circulation automobile. La caractérisation des rejets a montré qu'ils ont une importante charge polluante, notamment en Pb (Benbrahim *et al.,* 1997 ; Bouthir *et al.*, 2004).

Mis à part le site d'Ain Sbaâ, le niveau de contamination par le plomb varie entre 2 et 4 mg/kg.ps et reste comparable à celui enregistré dans d'autres régions du monde, notamment les côtes françaises, Manche, Atlantique et Méditerranée, dont la valeur moyenne enregistrée en 1993 est de 3,06 mg/kg.ps (R.N.O., 1995).

Cadmium : La distribution géographique de Cd montre que la frange littorale El Jadida - Dakhla présente une contamination plus prononcée par rapport à la frange littorale nord. Les stations situées à proximité des unités de traitement des phosphates, implantées respectivement dans les régions d'El Jadida (Jorf Lasfar) et de Safi, sont les points les plus contaminés. Des études antérieures (Chafik *et al.*, 1996, 2001 ; Cheggour *et al.,* 1999 ; Kaimoussi *et al.*, 2001) ont montré que les effluents de ces deux unités industrielles sont chargés en Cd et en Cu. En effet, le phosphate naturel contient des teneurs en Cd de l'ordre de plusieurs µg/g (Cossa, Lassus, 1989).

Les taux de Cd enregistrés au niveau des sites de la région d'El Jadida (Jorf Lasfar et Sidi Abed) sont plus élevés que ceux de Safi (Jorf Lihoudi et Essaouiria Lakdima) à cause de la situation des points de prélèvement par rapport à la source de contamination et des teneurs en Cd dans les phosphates naturels qui peuvent varier selon le gisement minier exploité.

Malgré l'éloignement des sources de pollution et la chute des taux de Cd, la contamination de la frange littorale, Agadir – Dakhla, reste plus élevée que celle du secteur nord. Ceci pourrait être lié à d'autres facteurs qui contribuent à l'enrichissement du milieu par le Cd, notamment l'upwelling qui caractérise cette zone côtière marocaine (Orbi *et al.*, 1998 ; Makaoui *et al.*, 2005).

Ce phénomène a été constaté dans plusieurs régions du monde, influencées par l'upwelling. Mart et Nurenberg (1986), en réalisant un travail de synthèse, ont montré

Cadmium: The geographical distribution of Cd shows that the El Jadida - Dakhla coastal strip has a more pronounced contamination compared to the northern coastal strip. The stations located near the phosphate treatment units, respectively in the regions of El Jadida (Jorf Lasfar) and Safi, are the most contaminated points. Previous studies (Chafik et al., 1996, 2001; Cheggour et al., 1999; Kaimoussi et al., 2001) have shown that the effluents of these two industrial units are filled with Cd and Cu.

In fact, natural phosphate contains Cd contents amounting to several µg / g (Cossa, Lassus, 1989). The Cd rates recorded at the sites of the El Jadida region (Jorf Lasfar and Sidi Abed) are higher than those of Safi (Jorf Lihoudi and Essaouiria Lakdima) because of the location of the sampling points in relation to the source of contamination and the Cd contents in natural phosphates, which can vary depending on the exploited mining deposit.

Exhibit II-36

The Guardian

Toxic shadow: phosphate miners in Morocco fear they pay a high price

State-owned mining giant producing fertiliser and phosphoric acid denies that poisonous byproducts of the phospate industry cause illnesses and death

Natasha White

Wed 16 Dec 2015 05.00 EST

Abdellatif Ben Maarouf is tired. His health is deteriorating. He can't breathe through his nose and has lost his sense of smell. During conversation he gasps for breath.

"For 26 years, I worked eight hours a day, every day, exposed to dust and gases from ammonia, fluoride, phosphoric and sulphuric acid," explains the father of two. "We had little protection, just a disposable face mask for the dust. No one ever explained to us what we were inhaling."

Three years ago, Maarouf, now 53, was diagnosed with throat cancer. He retired shortly after from his job as a mechanic in a fertiliser factory in the Moroccan port of Jorf Lasfar. The factory, run by the state-owned mining giant OCP, converts phosphate rock into fertiliser and phosphoric acid, a common additive in soft drinks.

Morocco and Western Sahara sit on around 75% of global reserves of phosphate rock, and although it's not running out, shortages in supply can occur.

Another of OCP's fertiliser plants is located in the city of Safi, about 130km along the coast south of Jorf Lasfar. The town is shrouded in smog. Aoutil Lahssent, a resident, lost his brother, aged 59, to cancer a couple of years ago, shortly after he had retired from his job in the factory.

"My brother had no idea about the level of toxicity of the chemicals he was exposed to daily," Lahssent explains to the Guardian and Swiss National TV. "The containers are labelled, but in English, German or Polish – languages we don't understand."

Nouaoui Abderrahim, 56, worked in the factory in Safi for almost three decades. Now, he is crouched on a sofa, his eyes dark and sunken. He has a tumour in his right kidney. "Why weren't we educated on the risks we were taking working in this environment?" he says.

Few recent studies are in the public domain on work-related illnesses in the Moroccan phosphate industry. However, studies are published elsewhere. Greenpeace and the World Nuclear Association have found that Moroccan phosphate is particularly high in cadmium and has appreciable quantities of uranium, two heavy metals associated with cancer, kidney failure and bone disease. Uranium is so abundant, in fact, that in 2012 OCP announced plans to co-mine it with phosphate.

The US Environmental Protection Agency has conducted extensive research on managing phosphogypsum, a radioactive waste byproduct generated during fertiliser production. In the US, this low-value waste is hauled off as slurry to stacks located far from people. In Morocco, it is simply dumped in the Atlantic.

"OCP doesn't recognise the connection between these illnesses and our work environment," says Lahssent. "But when we see so many of our colleagues aged around 50 contracting the same illnesses, and we compare to other jobs where this doesn't occur, well, it's a painful comparison that leaves us concerned about the direct impact on our health."

About 80km inland from Safi is Youssoufia, a town that sprang up around one of OCP's big mines. Scattered around its perimeter are giant mounds of dry waste, stacked in close proximity to the local population. According to a World Bank study, these may contain heavy metals and other environmental contaminants. Without proper precautions, these pollutants can leach into waterways or escape as dust.

"Every morning we wipe 2mm of dust off our belongings," says Souhami Moundir, a pharmacist who was born and raised in another mining town in central Morocco. "Within a 15km diameter of OCP's sites, it's endless. It pollutes the water and the air."

Both OCP and Morocco's ministry of health declined to comment.

The ministry of the environment said: "Air quality analysis stations have been set up in Safi, El Jadida and Jorf Lasfar. No alarming results were found [on atmospheric pollution from the phosphate industry]." However, the documents detailing these results are apparently confidential.

The ministry declined to comment on water pollution or industrial waste management. A 2006 study by Morocco's national fisheries research institute (INRH) found significant contamination of cadmium in shellfish around OCP's discharge points. Another scientific study from 2013 recorded high levels of heavy metal contamination in saltwater lagoons near OCP sites.

The challenge of safely managing the industry's byproducts is not unique to Morocco. Environmental concerns have caused mines in Europe and the US to be shut down.

OCP says it has invested in the safe disposal of another toxic byproduct known as PCB, increased its water efficiency and use of solar power, and implemented a host of corporate social responsibility projects.

On 10 October, Ben Maarouf died. His younger brother continues to work in the factory in Jorf Lasfar. "Industry is all that remains here now, and I have a family to feed," he says. "What choice do I have? If only the company would invest in regular medical screenings, maybe we could catch these illnesses before it's too late."

· This article was amended on 12 January 2016 to make clear Swiss National TV's involvement in some of the interviews.

Exhibit II-37

Evaluation de la contamination métallique dans deux lagunes marocaines: Khnifiss et Oualidia

Z. IDARDARE[1], A. MOUKRIM[1], J.-F CHIFFOLEAU[2], A. AIT ALLA[1], D. AUGER[2] & E. ROZUEL[2]

(Reçu le 20/09/2012; Accepté le 27/11/2012)

Résumé

L'objectif de la présente étude est d'évaluer la contamination métallique dans deux lagunes marocaines qui sont: Oualidia, située au centre du Maroc, dans une zone très urbanisée et industrialisée et Khnifiss, située au sud du Royaume et loin de toute influence anthropique. Pour ce faire, les concentrations des métaux traces sont mesurées mensuellement durant un cycle annuel (décembre 2004 - janvier 2006) dans le sédiment des deux lagunes et chez *Nereis diversicolor*, annélide détritivore vivant dans le sédiment. La comparaison des teneurs métalliques dans le sédiment des deux écosystèmes lagunaires montre des niveaux relativement élevés en Ag, Cd et Zn dans la lagune de Oualidia. Ces teneurs sont probablement consécutives aux rejets urbains et industriels auxquels s'ajoutent ceux provenant des usines de transformation du minerai de phosphate (Safi et Jorf Lasfar situés respectivement au sud et au nord de ce site). Les teneurs des métaux analysées chez *Nereis diversicolor* montrent des variations saisonnières. Elles sont généralement élevées en hiver et au printemps ; ceci est probablement en relation avec le cycle de reproduction de l'animal. Concernant la comparaison des teneurs en métaux traces chez les annélides des deux lagunes, les concentrations chez les animaux à Khnifiss semblent plus élevées, suggérant une plus grande biodisponibilité de ces éléments dans cet écosystème peu contaminé.

Mots-clés: Annélide - Sédiment - Lagunes - Pollution métallique.

INTRODUCTION

Les côtes marocaines, avec leurs écosystèmes très variés, jouent un rôle important dans l'économie nationale. Malheureusement, ces côtes sont le siège de nombreuses perturbations causées par des activités humaines. Durant ces dernières années, plusieurs études se sont intéressées à l'évaluation de la pollution métallique le long des plages et des estuaires marocains (Najimi *et al.*, 1997 ; Kaimoussi *et al.*, 2001; Banaoui *et al.*, 2004 ; Cheggour *et al.*, 2005), donnant l'état de santé de ces écosystèmes. En revanche, peu de recherches (Cheggour *et al.*, 2005) ont concerné les lagunes, zones sujettes à différents types de pollution.

Depuis 2004, le Laboratoire des Systèmes Aquatiques: Milieu Marin et Continental (Faculté des Sciences, Université Ibn Zohr, Agadir, Maroc) a élaboré un programme de recherche qui vise l'étude de la structure des peuplements, la biologie de certaines espèces et l'évaluation de la pollution dans deux lagunes parmi les quatre principales lagunes côtières du Maroc. Il s'agit de: i) Oualidia, localisée dans l'axe industrialisé et urbanisé El Jadida – Safi; et ii) la lagune de Khnifiss située dans une zone peu peuplée au sud du Royaume. Cette dernière est classée réserve écologique et biologique et est devenue un parc national depuis 2006.

Le présent travail porte sur l'étude comparative de la contamination métallique dans ces deux lagunes ayant des caractéristiques différentes. Si certains auteurs (Chafik *et al.*, 2001; Cheggour *et al.*, 2001; Zourarah *et al.*, 2007; Maanan, 2007) ont fourni des renseignements sur les contaminants chimiques dans la lagune de Oualidia (Cheggour *et al.*, 2005) et sa région avoisinante, la littérature courante ne compte à notre connaissance, aucune étude de ce genre dans la lagune de Khnifiss.

Dans le cadre de cette étude, l'évaluation de la contamination porte sur les sédiments de surface des deux lagunes et aussi sur la réponse des organismes vivants, en l'occurence *Nereis diversicolor,* en terme de bioaccumulation. Cet annélide, souvent choisi comme modèle biologique pour l'étude de la contamination métallique, présente un grand intérêt en raison de sa large répartition, de la particularité de son cycle biologique (Gillet, 1986) et de son régime alimentaire. De plus, en raison de son mode de vie (vivent enfouis dans le sédiment), il est qualifié par plusieurs auteurs comme étant un bon indicateur de l'intensité de pollution des sédiments (Bryan *et al.*, 1985 ; Cheggour *et al.*, 1990 ; Scaps *et al.*, 1996, 1997 et 2000). D'ailleurs, plusieurs chercheurs ont démontré l'existence d'une relation étroite entre les concentrations de métaux lourds dans les sédiments et

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Tableau 4. Concentrations moyennes des métaux dans le sédiment provenant de différentes régions du monde

	Ag $\mu g\ g^{-1}$	Al %	Cd $\mu g\ g^{-1}$	Cr $\mu g\ g^{-1}$	Cu $\mu g\ g^{-1}$	Fe %	Mn $\mu g\ g^{-1}$	Pb $\mu g\ g^{-1}$	Ni $\mu g\ g^{-1}$	Zn $\mu g\ g^{-1}$	Références
Lagune de Oualidia	1.9	3.5	0.58	68	17	2.7	244	6.8	28	104	Présente étude
Lagune de Khnifiss	0.30	5.6	0.37	63	17	2.8	242	6.8	35	69	
Lagune de Sidi Moussa	-	6.8	-	97	30	2.8	-	-	-	50	Maanan *et al.*, (2004)
Lagune de Oualidia	-	10.9	-	52	36	6.9	-	55	-	228	Cheggour *et al.*, (2001)
Iran	0.07	-	0.16	85.2	35	3.5	815	18	51.6	85	De Mora *et al.*, (2004)
Baie de Botnie	-	5.6	0.94	73	52	6.2	9	79	48	212	Leivuori, (1998)
Estuaire de Bidasoa	1.3	-	1.1	56	100	-	309	150	35	410	Saiz-Salinas *et al.*, (1996)
Lac de Befast (contaminé)	-	4.3	-	117	26	2.3	-	-	38	146	Charlesworth, & Service, (2000)
Lac de Strangford (non contaminé)	-	4.9	-	83	18	2.5	-	-	-	90	

contenir plus de Ni (p <0,01) que celui de Oualidia. Le tableau 4 compare les données relatives aux deux lagunes avec celles établies dans des environnements lourdement pollués.

Les niveaux des métaux traces enregistrés dans les échantillons récoltés de la lagune de Oualidia sont probablement dus à la décharge des eaux usées par infiltration souterraine, à l'absence d'infrastructure pour le traitement des eaux usées, associée à une forte affluence de visiteurs pendant la période estivale, contribuant dans l'intensification de ce phénomène: le bassin de Oualidia bénéficie d'une activité touristique florissante. La région de Oualidia abrite environ 6.000 habitants au cours de l'année, mais ce chiffre atteint 30.000 dans la saison touristique. À son tour, l'accroissement saisonnier des rejets des eaux usées augmente les apports et les flux des métaux dans la lagune. L'attribution de l'enrichissement des rejets des eaux usées en Ag a été déjà rapportée dans des travaux réalisés sur les eaux côtières le long des rives américano-mexicaines (Munoz-Barbosa *et al.*, 2000; Segovia-Zavala *et al.*, 2004). En outre, la présence d'une agriculture moderne intensive au bord de la lagune de Oualidia peut être à l'origine du Cd enregistré dans le sédiment. Toutefois, la proximité du complexe chimique de traitement de phosphates de Jorf Lasfar à environ 25 km au Nord-Est et de Safi à environ 80 km, y contribuent probablement aussi. Plusieurs auteurs soulignent l'importance des effluents industriels de ces complexes dans la contamination de plusieurs sites le long du littoral avec du Cd et autres métaux sous-produits du traitement de phosphate (Banaoui *et al.*, 2004; Cheggour *et al.*, 2001; Maanan, 2007). Comme ces déchets sont transportés par les courants Sud-Est (Chafik *et al.*, 1996), une partie des métaux associés peut atteindre la lagune. Une étude des concentrations de l'Ag dans ces effluents permettrait certainement d'expliquer les niveaux élevés dans la lagune. Un enrichissement similaire a été décrit dans la lagune de Sidi Moussa, située au nord de Oualidia (Cheggour *et al.*, 2001). Enfin, les aménagements urbains récents tels que la route qui longe la lagune, l'expansion de l'agriculture intensive et une augmentation du nombre de bateaux de pêche motorisés, semblent avoir un effet sur les niveaux de contaminants en métaux, en particulier pour Pb et Zn (Saavedra *et al.*, 2004). Contrairement à d'autres oligo-éléments, nous avons observé des niveaux plus élevés de Ni à Khnifiss: cela peut être expliqué par la lithologie du substrat qui se caractérise par la prédominance des schistes riches en Ni (Carral et al., 1995).

Les métaux lourds dans *Nereis diversicolor*

Les variations saisonnières des concentrations de métaux dans *N. diversicolor* des deux lagunes sont présentées dans la figure 4. A l'exception du Zn, l'ensemble des métaux dans les deux sites ont montré des variations saisonnières importantes caractérisées par des valeurs élevées en hiver. Ces variations naturelles sont en relation avec le cycle de reproduction et les variations du poids corporel. Une étude réalisée à l'estuaire de Bou Regrag (Maroc) (Cheggour *et al.*, 1990) a révélé une baisse des niveaux de métaux dans la période de ponte, au printemps et en automne et une hausse au cours de la phase de la gamétogénèse en hiver et en été. Dans notre étude, à l'exception du Cd, nous avons observé des variations saisonnières similaires à celles rapportées précédemment (Diez *et al.*, 2000); c'est-à-dire que les concentrations les plus fortes en métaux dans les tissus de *Nereis* sont enregistrées généralement pendant les périodes de forte activité gamétogenique (automne et hiver).

Nevertheless, the proximity of the chemical phosphate processing complex of Jorf Lasfar, which is about 25 km to the north-East and about 80 km from Safi may probably contribute to it as well. Several authors highlight the importance of industrial effluents from these complexes in the contamination of many sites along the coast with Cd and other by-product metals of phosphate treatment (Banaoui et al., 2004; Cheggour et al., 2001; Maanan, 2007). As this waste is transported by south-eastern air currents (Chafik et al., 1996), a part of the associated metals can reach the lagoon. A study of the concentrations of Ag in these effluents would certainly explain the high levels in the lagoon. A similar enrichment has been described in the Sidi Moussa lagoon, located in the north of Oualidia (Cheggour et al., 2001).

Exhibit II-38

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Morocco
Environmental Performance Reviews

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UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

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Office for North Africa

ENVIRONMENTAL PERFORMANCE REVIEWS

MOROCCO

UNITED NATIONS
New York and Geneva, 2014

Executive summary

The Environmental Performance Review (EPR) of Morocco began in 2012. It analyses the progress made by the country from 2003 on environmental protection, and proposes recommendations on how Morocco can improve its environmental management and address recurrent environmental challenges.

Morocco was the fifth-largest economy in Africa in 2010 as measured by Gross Domestic Product (GDP). It is considered to have the most competitive economy in North Africa according to the World Economic Forum's 2012–2013 Global Competitiveness Index. This is a result of ongoing regulatory reform to improve the country's business environment, which has been the Government's consistent policy goal since 2005. This development was realized through a convergence of socio-economic issues and the adoption of sectoral strategies that provide better visibility and allow a gradual integration of the environmental component.

The economy is weighted towards services, which share in 2011 was 55.1 per cent of GDP, while industry's share was 29.9 per cent and agriculture produced 15.1 per cent. Agriculture, however, plays a bigger role in the country's economic development than its share of GDP would imply. This is because, first, it employs 44 per cent of the country's workforce and, second, any fluctuations in cereal production, e.g. due to drought, have a direct impact on the economic growth of the country in general.

Morocco has 75 per cent of the world's phosphate reserves. It is the world's biggest phosphate exporter (with 28 per cent of the global market) and third-biggest producer. The price fluctuations of phosphates on the international market can greatly influence Morocco's economy. Fortunately, the country's dependence on phosphate exports has shrunk in recent years as exports of manufactured and agricultural products, combined with the growth in tourism, have increased. On the import side, Morocco is dependent on imported fuel and the country's food import requirement can rise substantially in drought years.

Inflation has remained very moderate with an average annual rate of just below 2 per cent in recent years. Such a level of inflation can be partially explained by sizeable government subsidies designed to shield domestic prices of some foodstuffs and energy products from price hikes in international commodity markets. The unemployment rate has been relatively stable at around 9 per cent in recent years.

Policy framework for environmental protection and sustainable development

Since 2003 Morocco has been putting in place foundations for enhancing its environmental policy, which until then was very general and addressed primarily water management issues. Three important environmental laws were approved in 2003, namely laws on the protection and conservation of the environment, combating air pollution and environmental impact assessment. Despite progress made, the environmental legal framework remains underdeveloped and still inconsistent.

To accelerate progress on preventing pollution and restoring environmental conditions, the Government has established a number of national programmes. Among them, the National Municipal Solid Waste Management, the Programme National Programme of Sanitation and Wastewater Treatment, the National Programme for Collection and Disposal of Plastic Bags, the National Programme of Environmental Upgrading of Rural Schools, and the National Programme for Prevention of and Fight against Industrial Pollution.

The adoption of the National Charter for Environment and Sustainable Development, at the seventh session of the National Council for the Environment in 2011 has allowed Morocco to redouble its efforts to protect the environment and sustainable development. In fact, the operationalization of this charter is achieved by the enactment of the framework law on environment and sustainable development through the development of a national strategy on environment and sustainable development with all the economic, social and environmental aspects.

The Constitution adopted in 2011 also helped to give a new impetus to the process of the establishment of sustainable development. Structured around the universally recognized principles and enhanced by international experience, this constitution serves as a reference. It stipulates the sustainable development as a right of every citizen.

Compliance and enforcement mechanisms

The environmental legal framework poses problems of implementation. Some laws are outdated; others lack secondary legislation to become effective and enforceable. Furthermore, the governing environmental laws do not provide explicit powers of inspection and enforcement to the main environmental authorities.

While there are environmental inspectors in Morocco, no system of compliance monitoring is in place. Resources dedicated to compliance are very modest. As a result, there is no programme of inspections, not even in highly industrialized regions such as Grand Casablanca. Site visits are mostly ad-hoc and driven by requests or complaints. A limited number of inspections were made, some following the environmental impact assessment procedures or as a result of the projects benefitting from funds related to industrial depollution.

Self-monitoring is just beginning to be implemented. Very few industries, apart from the cement industry and a few large enterprises, implement it. They perform their monitoring activities as a matter of internal corporate policy. There is, therefore, hardly any quantitative information that would permit understanding of the procedural and substantive impact of existing laws.

Due to a lack of compliance control, environmental authorities prioritize regulatory culture largely based on negotiations, consensus-building and voluntary approaches. Even if the impact of these approaches has proved to be positive, a qualitative analysis concluded that tools and resources of the Moroccan system of ensuring environmental compliance have limited opportunities to produce concrete results.

The current approach to compliance fails to address environmental challenges, which can gradually become economic and development challenges. The Government thus needs to reconsider its approach of establishing an incentive framework for higher environmental performance.

Monitoring, information and education

The system for monitoring, collecting and managing environmental information is in the process of development. However, the lack of a coherent legislative framework for environmental monitoring and assessment hinders this process, insofar that as the institutional arrangements, in particular regarding the sharing of information, remain below expectations .

The Constitution provides Moroccan citizens with the right of access to environmental information retained by the public administration. Currently environmental information is available at the Department of Environment.

Morocco carries out a multitude of activities promoting environmental education and education for sustainable development. Environmental education is integrated in the primary, secondary and high school curricula in the form of specific programmes. Universities offer graduate degrees on the environment and sustainable development.

Economic instruments and expenditures for environmental protection

The main instrument used in Morocco to create financial incentives for enterprises to shift to less polluting modes of industrial production are subsidies in the form of grants. Such grants are mainly provided under the umbrella of the industrial clean-up programmes.

Fines and sanctions for non-compliance with environmental standards (notably for air, water and waste), even if stipulated in the legislation, are not applied in general, and neither are emissions charges. This is a major missing incentive for promoting more environmentally friendly consumption and production patterns. Furthermore, there are no plans to introduce taxes on emissions of air pollutants. On the other hand, the regulations for the establishment of various taxes, even those that have been partially established by the legislation are slow to be implemented: e.g., fees for discharges, flows, direct and indirect deposits into surface or ground water.