

Proposed issuance of Islamic medium term notes ("Sukuk Murabahah") under a Sukuk Murabahah issuance programme of up to RM1,500.0 million in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : MMC Corporation Berhad
- (2) Address : Ground Floor, Wisma Budiman, Persiaran Raja Chulan, 50200 Kuala Lumpur Malaysia
- (3) Date of incorporation : 19-Nov-1976
- (4) Place of incorporation : Malaysia
- (5) Business registration number : 30245-H
- (6) Residence status : Resident Controlled Company

(7) Place and date of listing :

No.	Place of listing	Date of listing
1	Bursa Malaysia	12 Jul 1977

- (8) Principal activities : Investment holding, construction, mining and mineral exploration
- (9) Authorised, issued and paid-up share capital : **Authorised share capital of the Issuer as at 31 August 2015**
RM1,000,000,000.00 divided into 10,000,000,000 ordinary shares of RM0.10 each

Issued and paid-up share capital of the Issuer as at 31 August 2015

RM304,505,855.20 divided into 3,045,058,552 ordinary shares of RM0.10 each

- (10) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : The names of substantial shareholders and structure of shareholding of the Issuer as at 31 August 2015:

Name of Shareholder	Number of Shares Held	% of Equity Held
Seaport Terminal (Johore) Sdn Bhd	1,576,108,840	51.76
Amanah Raya Trustees Berhad (Skim Amanah Saham Bumiputera)	617,592,900	20.28
Lembaga Tabung Haji	181,734,900	5.97

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Employees Provident Fund Board	170,714,400	5.61
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- (11) Board of directors :
1. Tan Sri Dato' Seri Shamsul Azhar bin Abbas
 2. Dato' Sri Che Khalib bin Mohamad Noh
 3. Dato' Abdullah bin Mohd Yusof
 4. Tan Sri Dato' Ir. (Dr) Haji Wan Abdul Rahman bin Haji Wan Yaacob
 5. Datuk Mohd Sidik bin Shaik Osman
 6. Datuk Ooi Teik Huat
 7. Abdul Hamid bin Sh. Mohamed
 8. Dato' Siti Halimah binti Ismail
 9. Syed Naqiz Shahabuddin bin Syed Abdul Jabbar

(B) PARTIES TO THE TRANSACTION

(1) Origination :

No.	Roles	Name of parties
1	Issuer	MMC Corporation Berhad
2	Principal Adviser	RHB Investment Bank Berhad
3	Lead Arranger	RHB Investment Bank Berhad
4	Solicitors	Albar and Partners
5	Trustee	Malaysian Trustees Berhad
6	Shariah Adviser	RHB Islamic Bank Berhad
7	Credit Rating Agency	Malaysian Rating Corporation Berhad

(2) At point of distribution :

No.	Roles	Name of parties
1	Issuer	MMC Corporation Berhad
2	Lead Manager	RHB Investment Bank and such other financial institutions as may be appointed by the Issuer prior to each issuance of the Sukuk Murabahah
3	Facility Agent	RHB Investment Bank
4	Shariah Adviser	RHB Islamic Bank Berhad
5	Central Depository	Bank Negara Malaysia ("BNM")
6	Paying Agent	BNM

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(3) After distribution :

No.	Roles	Name of parties
1	Issuer	MMC Corporation Berhad
2	Principal Adviser	RHB Investment Bank Berhad
3	Shariah Adviser	RHB Islamic Bank Berhad
4	Facility Agent	RHB Investment Bank
5	Trustee	Malaysian Trustees Berhad
6	Central Depository	BNM
7	Paying Agent	BNM
8	Credit Rating Agency	Malaysian Rating Corporation Berhad

(C) DETAILS OF FACILITY/PROGRAMME

(1) Name of facility : Proposed issuance of Islamic medium term notes ("Sukuk Murabahah") under a Sukuk Murabahah issuance programme of up to RM1,500.0 million in nominal value ("Sukuk Murabahah Programme").

(2) One-time issue or programme : Programme

(3) Shariah principles (for sukuk) :

No.	Shariah Principles
1	Murabahah (Cost-plus sale)
2	Tawarruq (Tripartite sale)

(4) Facility description : [The Sukuk Murabahah will be issued based on the Shariah principle of Murabahah \(via tawarruq arrangement\) based on a Commodity Murabahah structure in the following form:](#)

Commodity Murabahah

1. The Trustee (on behalf of the investors of the Sukuk Murabahah ("**Sukukholders**")), shall appoint the Issuer as agent/wakeel of the Sukukholders (in such capacity, the "**Purchase Agent**") to purchase and sell certain Shariah-compliant commodities, which exclude *ribawi* items in the category of medium of exchange such as currency, gold and silver ("**Commodities**").
2. The Purchase Agent will then appoint the Facility Agent as its agent/wakeel (in such capacity, the "**Sub-Purchase Agent**") to act as the sub-agent to purchase the Commodities. The Purchase Agent will also appoint the Facility Agent as its agent/wakeel (in such capacity, the "**Selling Agent**") to sell the Commodities to the Issuer on behalf of the Purchase Agent.
3. The Issuer (in such capacity, as "**Purchaser**" for itself) shall from time to time, issue a purchase order ("**Purchase Order**") to the Purchase Agent and the Sub-Purchase Agent to purchase the Commodities. In the Purchase Order, the Purchaser (as Purchaser for itself) will request the Purchase Agent and the Sub-Purchase Agent to purchase the Commodities and will irrevocably and unconditionally undertake to purchase the Commodities from the Sukukholders via the Selling Agent at a price ("**Deferred Sale Price**") equivalent to the aggregate of (i) the Purchase Price (as defined herein) and (ii) a mark-up (profit margin), payable on a deferred payment basis.
4. Upon receiving the Purchase Order from the Purchaser, the Sub-Purchase Agent will purchase on a spot basis, the Commodities, from commodity vendor(s) in the Bursa Suq

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Al-Sila' commodity platform and/or other independent commodity brokers, which shall be identified prior to each issuance of the Sukuk Murabahah, through a Commodity Trading Participant ("CTP"), at a purchase price which shall be an amount equivalent to the proceeds from the issuance of the Sukuk Murabahah ("**Purchase Price**"). The Purchase Price of the Commodities shall be in line with the asset pricing requirement stipulated under the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework effective on 15 June 2015 ("**SC Guidelines**") as may be amended and/or substituted from time to time.

5. The Issuer shall concurrently issue the Sukuk Murabahah to the Sukukholders whereby the proceeds thereof shall be used to pay the Purchase Price of the Commodities. The Sukuk Murabahah shall evidence the Sukukholders' ownership of the Commodities and all rights thereto (including all rights against the Issuer (as Purchaser for itself) under the Purchase Order). Once the Commodities are sold to the Issuer (as Purchaser for itself), the Sukuk Murabahah shall represent the Sukukholders' entitlement to receive the Deferred Sale Price.
6. Thereafter, the Selling Agent (on behalf of the Purchase Agent as wakeel to the Sukukholders) shall sell the Commodities to the Issuer (as Purchaser for itself) at the Deferred Sale Price.
7. Upon completion of such purchase, the Issuer (as Purchaser for itself) shall instruct the Selling Agent to sell, on a spot basis, the Commodities to the Bursa Suq Al-Sila' commodity market and/or other independent commodity brokers, which shall be identified prior to each issuance of the Sukuk Murabahah, through a CTP, for a cash consideration for an amount equivalent to the Purchase Price.
8. The Sukuk Murabahah may be issued with or without periodic profit payments. During the tenure of the Sukuk Murabahah, the Issuer (as Purchaser for itself), as part of its obligation to pay the Deferred Sale Price, shall make periodic payments or a lump sum payment of the Deferred Sale Price to the Trustee (acting for the Sukukholder(s)). Each such payment shall pro tanto reduce the obligation of the Issuer (as Purchaser for itself) on the Deferred Sale Price payable for the purchase of the Commodities from the Selling Agent (on behalf of the Purchase Agent who in turn acts on behalf of the Sukukholders).
9. (i) On the maturity date of the relevant Sukuk Murabahah; or (ii) upon the declaration of an Event of Default (as defined herein); or (iii) upon early redemption of the relevant Sukuk Murabahah, whichever is earlier, all amounts then outstanding on the Deferred Sale Price (subject to Ibra' (as defined herein), where applicable) shall be paid by the Issuer (as part of its obligation to pay the Deferred Sale Price) to the Sukukholders as final settlement of the same, whereupon the relevant Sukuk Murabahah shall be cancelled.

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|---|---|---|
| (5) Currency | : | Ringgit |
| (6) Expected facility/
programme size | : | MYR1,500,000,000.00 |
| (7) Option to upsize
(for programme) | : | Yes |
| (8) Tenure of facility/
programme | : | 15 year(s), |
| (9) Availability period
for debt/ sukuk
programme | : | The Sukuk Murabahah may be issued at any time during the period from completion of documentation and compliance of all conditions precedent and other applicable conditions to the satisfaction of the Lead Arranger, unless waived by the Lead Arranger, and ending on the expiry date of the Sukuk Murabahah Programme. The first issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme shall be made within 60 business days from the date of the lodgement of the lodgement kit to the SC |
| (10) Clearing and
settlement
platform | : | <ul style="list-style-type: none"> • MyClear |
| (11) Mode of issue | : | <ul style="list-style-type: none"> • Private placement • Book running |

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- Bought deal
- (12) Selling restrictions :
 - Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)
 - Part 1 of Schedule 7 of the CMSA
 - Read together with Schedule 9 of CMSA
- (13) Tradability and transferability :
 - Tradable & transferable
- (14) Other regulatory approvals required in relation to the issue, offer or invitation to subscribe or purchase PDS/sukuk, and whether or not obtained : Not applicable.
- (15) Details of security/ collateral pledged : Unsecured
- (16) Details of guarantee : Not guaranteed
- (17) Convertibility of Issuance : Non-convertible
- (18) Exchangeability of Issuance : Non-exchangeable
- (19) Call option : No call option
- (20) Put option : No put option
- (21) Details of covenants : a. **Positive covenants**
- (i) the Issuer shall, and shall cause and procure all its Material Subsidiaries (as defined herein) to, maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable the Issuer and each of its Material Subsidiaries to carry on their respective businesses or to enable the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the legality, validity, enforceability, admissibility in evidence of the obligations of the Issuer, or the rights of the Sukukholders, the Trustee, the Lead Arranger under the Transaction Documents and the Issuer shall comply with the same;
 - (ii) the Issuer shall at all times on written demand execute and cause and procure the execution of all such further documents and do all such further acts reasonably necessary at any time or times to give effect to the terms and conditions in the Transaction Documents;
 - (iii) the Issuer shall, and shall cause and procure all its Material Subsidiaries to, exercise reasonable diligence in carrying out their businesses and affairs in a proper and efficient manner;
 - (iv) the Issuer shall keep proper books and accounts at all times and provide the Trustee and any person appointed by the Trustee access to such books and accounts to the extent permitted by law, regulations, rules and orders;
 - (v) the Issuer shall promptly perform and carry out all its obligations under all the Transaction Documents (including but not limited to redeem the Sukuk Murabahah on the relevant
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maturity date(s) or any other date on which the Sukuk Murabahah are due and payable) and the Issuer shall immediately notify the Facility Agent and the Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents;

(vi) the Issuer shall prepare its audited financial statements on a basis consistently applied in accordance with the approved accounting standards in Malaysia and those audited financial statements shall give a true and fair view of the results of the financial position and operations of the Issuer for the period to which the audited financial statements are made up and are audited and certified by qualified auditors appointed by the Issuer;

(vii) the Issuer shall maintain such takaful/insurances in respect of its assets and business against all risks which a prudent company carrying a similar business to that of the Issuer would normally insure;

(viii) the Issuer shall maintain a paying agent or its equivalent, who is based in Malaysia at all times;

(ix) the Issuer shall procure that the Paying Agent shall notify the Trustee, through the Facility Agent, if the Paying Agent does not receive payment from the Issuer on the due dates as required under the Transaction Documents and the terms and conditions of the Sukuk Murabahah

(x) the Issuer shall ensure that the terms in the Trust Deed do not contain any matter which is inconsistent with the provisions of the Information memorandum;

(xi) the Issuer shall comply with all applicable provisions of the CMSA and/or the notes, circulars, conditions or guidelines issued or published by the SC and other regulatory agencies from time to time in respect of the Sukuk Murabahah; and

(xii) such other covenants as may be advised by the Solicitors and mutually agreed between the Lead Arranger and the Issuer.

b. Negative covenants

Unless otherwise consented to in writing by the Trustee (acting upon the instruction of the Sukukholders by way of an extraordinary resolution):

(i) the Issuer shall not permit any amendment, supplement or variation to its Memorandum or Articles of Association in a manner which may be materially prejudicial to the interests of the Sukukholders;

(ii) the Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, assignment by way of security or other security interest of any kind or any agreement to create any of the foregoing (collectively "**Security Interest**") over all or any part of its assets, save and except for:

(a) Security Interest created pursuant to the Issuer's existing secured credit facilities as disclosed prior to the date of the Trust Deed; or

(b) liens arising in the ordinary course of business of the Issuer by operation of law and/or Security Interest arising in pursuance of agreements executed in the ordinary course of its business and/or arising under any guarantee issued by the Issuer and for any right of set-off arising under any guarantee or set-off agreement issued and/or executed by the Issuer, or

(c) assignment of the rights and benefits of construction contracts/arrangements undertaken by the Issuer, pursuant to borrowings by the Issuer for purposes of securing working capital and trade/guarantee facilities specifically for the financing of such construction contracts/arrangements; or

(d) such Security Interest created over equity and/or equity linked and/or debt securities of the relevant subsidiaries and/or associate companies of the Issuer (which are undertaking the project and/or acquisition) in favour of any financiers providing the financing for such project and/or acquisition to such relevant subsidiaries and/or associate companies of the Issuer; or

(e) any Security Interest created over the Issuer's cash deposits, at any time to secure short term bank guarantee facilities and/or credit support facilities for the

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- benefit of MMC Group;
- (iii) the Issuer shall not dispose any of its assets, (i) the book value (as reflected in the Issuer's latest quarterly unaudited financial statements) of which is more than 10% of the Issuer's consolidated net assets on an aggregate basis per annum, and (ii) where such disposal will have a Material Adverse Effect (as defined herein), save and except for:
 - (a) the disposal of shares in the Issuer's subsidiaries in conjunction with any listing exercise;
 - (b) the asset disposal is solely for purposes of facilitating Shariah concepts used in Islamic financing facilities granted to the Issuer or its subsidiaries and associates;
 - (c) disposal in the ordinary course of business and on ordinary commercial terms and on the basis of arm's length transaction;
 - (iv) the Issuer shall not reduce or in any way whatsoever alter (except by way of an increase and other than any reduction of its paid-up capital resulting from the purchase by the Issuer of its own shares pursuant to Section 67A of the Companies Act 1965, as may be amended and/or substituted from time to time ("**Companies Act**")), its authorised or paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stock, or by consolidating, dividing or sub-dividing all or any of its shares;
 - (v) the Issuer shall not declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders if an Event of Default has occurred and is continuing or if following such payment, distribution or declaration, an Event of Default would occur;
 - (vi) the Issuer shall not lend any money or advance to any person other than:
 - (a) to the Issuer's directors, officers or employees as part of their terms of employment, (b) to contract counterparties pursuant to contracts entered into in the ordinary course of business, and (c) to its subsidiaries, associated companies and joint ventures which the Issuer is a party to;
 - (vii) the Issuer shall not enter into any agreement or transaction, whether directly or indirectly, with interested persons (including a director of the Issuer, a substantial shareholder of the Issuer or persons connected with a director or a substantial shareholder of the Issuer and the chief executive officer of the Issuer), unless:
 - (a) such transaction is on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons; and
 - (b) in respect of a transaction involving an aggregate payment or value equal to or greater than 25% of the Issuer's consolidated net assets based on its latest annual audited financial statements, the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms; provided that the Issuer shall certify to the Trustee:
 - (i) that the transaction complies with item (a) above;
 - (ii) that the Issuer has received the certification referred to in item (b) above (where applicable); and
 - (iii) the transaction has been approved by the majority of the Issuer's board of directors or shareholders in a general meeting, as the case may require; and
 - (c) with respect to transactions constituting a recurrent related party transaction of a revenue or trading nature ("**RRPT**") which are provided for and permitted under the Main Market Listing Requirements, PROVIDED that the Issuer

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certifies to the Trustee that the transaction complies with item (a) above; that the Issuer has obtained or renewed, where applicable, the shareholders' mandate in accordance with the Main Market Listing Requirements; and that the Issuer furnishes at least one (1) certificate to the Trustee in respect of the RRPT contemplated under one shareholders' mandate;

(viii) the Issuer shall not change the utilisation of proceeds from the Sukuk Murabahah where the Information Memorandum and the Transaction Documents set out a specific purpose for which proceeds are to be utilised; and

(ix) such other covenants as may be advised by the Solicitors and mutually agreed between the Lead Arranger and the Issuer.

c. Financial covenants

Throughout the tenure of the Sukuk Murabahah Programme, the Issuer shall ensure that the Consolidated Gearing Ratio shall not be greater than 1.5 times.

The "**Consolidated Gearing Ratio**" shall mean the ratio of indebtedness of MMC Group represented by:

(i) all amounts outstanding under the Sukuk Murabahah Programme; and

(ii) all other indebtedness for borrowed monies or under financing arrangements (be it actual or obligations under guarantees issued by any company within the MMC Group in favour of third parties), hire purchase obligations, finance lease obligations, net exposure determined on a marked to market basis under any derivative instrument

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deposits, cash and bank balances as reported in the MMC Group's audited consolidated financial statements, to MMC Group's total equity, including share capital, reserves and non-controlling interests, as reported in the MMC Group's audited consolidated financial statements ("**Consolidated Total Equity**").

For the avoidance of doubt, the indebtedness of the MMC Group as defined above shall exclude those amounts owing to trade and other creditors and payables and arising from the ordinary course of business.

The Consolidated Gearing Ratio shall be calculated for each financial year during the tenure of the Sukuk Murabahah Programme based on the Issuer's latest audited consolidated financial statements and the Issuer shall provide to the Trustee a yearly compliance certificate duly signed by any one (1) director and an authorised officer of the Issuer.

For the avoidance of doubt, any double counting shall be disregarded.

"**MMC Group**" means MMC and its subsidiary companies.

d. Information covenants

(i) the Issuer shall provide to the Trustee (i) on an annual basis, a certificate signed by any two (2) authorized signatories of the Issuer confirming that it has observed, complied with and performed all its covenants and obligations under the Transaction Documents and the terms and conditions of the Sukuk Murabahah and that there did not exist or had not existed, from the date the Sukuk Murabahah were first issued or the date of the previous certificate, as the case may be, any Event of Default, and if such is not the case, to specify the same;

(ii) the Issuer shall deliver to the Trustee the following:

(a) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years) copies of its annual financial statements for that year which shall contain the consolidated income statements and balance sheets of the Issuer and which are audited and certified without any qualification by external auditors appointed by the Issuer;

(b) as soon as they become available (and in any event within ninety (90) days

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after the end of each of its half year financial period in accordance with the reporting format as required by Bursa Securities) copies of its unaudited half yearly financial statements for that period (as announced to Bursa Securities which shall contain the consolidated income statements and balance sheets of the Issuer);

(c) promptly, to the extent permitted by applicable laws, regulations, rules and orders, such additional financial or other information as the Trustee may from time to time reasonably request, and also, such information as the Trustee may require in order for the Trustee to discharge its duties and obligations as Trustee under the Transaction Documents;

(d) to the extent permitted by applicable laws, regulations, rules and orders, all notices or other documents received by the Issuer from any of its shareholders or its creditors and a copy of all documents dispatched by the Issuer to its shareholders (or any class of them) in their capacity as shareholders or its creditors generally at the same time as these documents are dispatched to these shareholders or creditors;

(iii) the Issuer shall permit the accounts, reports, notices, statements or circulars as provided by any of them to the Trustee to be circulated by the Trustee at its discretion to the Sukukholders, the qualified investors of the Sukuk Murabahah as well as the Credit Rating Agency;

(iv) the Issuer shall notify the Trustee in writing immediately in the event that the Issuer becomes aware of:-

a) any Event of Default or any potential event which, upon the giving of notice and/or lapse of time and/or the issue of a certificate and/or the fulfillment of the relevant requirement as contemplated under the relevant Transaction Documents would constitute an Event of Default;

(b) the happening of any event that has caused or could cause, one or more of the following:-

- (1) any amount secured or payable under the Sukuk Murabahah to become immediately payable;
- (2) the Sukuk Murabahah to become immediately enforceable; and
- (3) any other right or remedy under the terms, provisions or covenants of the Sukuk Murabahah or the Trust Deed to become immediately enforceable;

(c) any circumstance that has occurred that would materially prejudice the Issuer;

(d) any substantial change in the nature of the business of the Issuer;

(e) any change in withholding tax position;

(f) any change in the utilization of proceeds from the Sukuk Murabahah from that set out in the Information Memorandum and the Transaction Documents which set out a specific purpose for which the proceeds are to be utilised;

g) any litigation or other proceedings of any nature whatsoever being initiated against the Issuer before any court or tribunal or administrative agency which would have a Material Adverse Effect;and

(h) any other matter that may materially prejudice the interests of the Sukukholders; and

(v) such other covenants as may be advised by the Solicitors and mutually agreed

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between the Lead Arranger and the Issuer.

Material Adverse Effect" shall mean in relation to any event, the occurrence of which may materially and adversely affect the financial condition and/or business operations of the Issuer or which would materially and adversely affect the ability of the Issuer to perform any of its obligations under the Transaction Documents.

(22) Details of designated account(s) : Not applicable

(23) Name of credit rating agency and credit rating :

No.	Credit Rating Agency	Credit rating	Final/ Indicative rating	Partial	Amount rated
1	Malaysian Rating Corporation Bhd (MARC)	AA- IS	Indicative rating	No	MYR 1,500,000,000.00

(24) Conditions precedent

: **Main Documentation**

- (i) The Transaction Documents have been duly executed and endorsed as exempted from stamp duty and presented for registration.

The Issuer

- (i) Certified true copies of the Certificate of Incorporation and the Memorandum and Articles of Association of the Issuer.
- (ii) Certified true copies of the latest Form 24, Form 44 and Form 49 of the Issuer.
- (iii) Certified true extract of the board of directors resolution of the Issuer approving, amongst others, the establishment of the Sukuk Murabahah Programme, authorising the issuance of the Sukuk Murabahah and the execution of the Transaction Documents.
- (iv) A list of the authorised signatories and their respective specimen signatures of each of the Issuer's authorised signatories.
- (v) Report of the relevant winding-up search conducted at the Department of Insolvency Malaysia which revealed that no winding-up order has been made against the Issuer.

General

- (i) Evidence that the lodgment kit in respect of the Programme has been lodged to the SC.
- (ii) All necessary approvals and consents required (including but not limited to the existing lenders/financiers of the Issuer) for the implementation of the Sukuk Murabahah Programme (if required) and the execution of the Transaction Documents have been obtained and the Issuer is in compliance with all conditions of such approvals and consents.
- (iii) Evidence of confirmation from the Shariah Adviser that the structure and mechanism together with the Transaction Documents of the Sukuk Murabahah Programme is in compliance with Shariah principles.
- (iv) The Sukuk Murabahah Programme has obtained a rating of AA- from the Credit Rating Agency.
- (v) Evidence that arrangements have been made for the payment of all transaction fees, costs and expenses in connection with the establishment of the Sukuk Murabahah Programme.

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- (vi) The Lead Arranger has received from the Solicitors a satisfactory legal opinion addressed to the Lead Arranger, advising with respect to, amongst others, the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to the Lead Arranger that all the conditions precedent have been fulfilled or otherwise waived by the Lead Arranger as the case may be.
- (vii) Evidence that the Trustees' Reimbursement Account has been established and the deposit of RM30,000.00 has been made.
- (viii) Such other conditions precedent as may be advised by the Solicitors and mutually agreed between the Lead Arranger and the Issuer.

- (25) Representations and warranties : Representations and warranties usual and customary to the Issuer for a transaction of this nature including but not limited to the following:
- i) the Issuer is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its property;
 - ii) the Issuer's Memorandum and Articles of Association incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorise the Issuer respectively to execute and deliver the Transaction Documents in accordance with their terms;
 - iii) all necessary authorisations, permits, licences and consents required under the Transaction Documents have been obtained, renewed and fulfilled and remain in full force and effect, if failure to obtain or effect any of such authorisations, permits, licences and consents would impair or prejudice the Issuer's ability to comply with the Transaction Documents;
 - (iv) Subject to the presentation and registration of the power of attorney clause under the Trust Deed, the Transaction Documents will, when executed and/ or issued and/or stamped, as the case may be, constitute legal, valid and binding obligations of the Issuer, where applicable, enforceable in accordance with their respective terms and, to the best of the Issuer's knowledge after due and careful enquiry, that there is no law or regulation or any order or decree of any governmental authority, agency or court to which the Issuer is subject which would be in conflict with or prevent the Issuer from executing, delivering and performing the transactions contemplated in each of the Transaction Documents;
 - v) neither the execution and delivery of the Transaction Documents, nor the performance of any of the transactions contemplated in the Transaction Documents:
 - (a) contravenes or constitutes a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, licence, permit or consent by which the Issuer or any of its assets is bound whereby such default would have a Material Adverse;
 - (b) causes any limitation on the Issuer or the powers of its board of directors, whether imposed by or contained in the Memorandum and Articles of Association or in any agreement, instrument, law, ordinance, decree, order, rule, regulation or judgment binding on the Issuer (as applicable), to be exceeded;or
 - (c) causes the creation or imposition of any security interest or restrictions of any nature on any of its assets save as permitted under the Transaction Documents;
 - (vi) no authorisation, approval, consent, permit, license, exemption, registration, recording, filing, or notarisation of the Transaction Documents and no payment of any duty or tax which has not been duly and unconditionally obtained, made or taken is necessary to ensure the validity or enforceability of the liabilities and obligations of the Issuer or the rights of the Lead Arranger, the Facility Agent and the Trustee under the Transaction Documents in accordance with their terms save and except for the registration of the power of attorney clause contained in the Trust Deed with the High Court of Malaya
 - (vii) the Issuer's audited financial statements are prepared in accordance with approved accounting standards and they give a true and fair view of the Issuer's financial position and results of operations for the period to which the audited financial statements are made and are audited and certified by qualified auditors appointed by the Issuer;

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- (viii) no tax liabilities of any kind are outstanding in payments (save and except for taxes which are disputed in good faith) and all computations and payments that should be or should have been made to the taxation authority or other relevant authorities have been made within the requisite periods and are up-to-date, correct and made on a proper basis with the taxation authority and other relevant authorities;
- (ix) no litigation, arbitration or administrative proceeding or claim which might by itself or together with any other such proceedings or claims which would have a Material Adverse Effect on the Issuer, is presently in progress or pending, to the best of the knowledge, information and belief of the Issuer against the Issuer or any of its assets;
- (x) no Event of Default has occurred and is continuing or would occur as a result of the issuance of the Sukuk Murabahah; and
- (xi) any other representations and warranties as advised by the Solicitors and mutually agreed between the Lead Arranger and the Issuer.

- (26) Events of defaults or enforcement events, where applicable, including recourse available to investors :
- Events of Default usual and customary for a transaction of this nature including but not limited to the following:
- (i) the Issuer fails to pay any amount due from it under any of the Transaction Documents on the due date or, if so payable, on demand and such failure to pay is not remedied within seven (7) days from the date such amount is due or demanded;
 - (ii) any representation or warranty made or given by the Issuer under the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the Sukuk Murabahah and/or any of the Transaction Documents is or proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given or if repeated at any time with reference to the facts and circumstances subsisting at such time, would not be accurate or would be misleading which would have a Material Adverse Effect and in the case of a failure which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of fifteen (15) days after the Issuer became aware or having been notified in writing by the Trustee of the failure, whichever is earlier;
 - (iii) the Issuer fails to observe or perform its obligations under any of the Transaction Documents or the Sukuk Murabahah or under any undertaking or arrangement entered into in connection therewith other than an obligation of the type referred to in sub-paragraph (i) above, and such failure to observe or perform would have a Material Adverse Effect and in the case of a failure which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of thirty (30) days after the Issuer became aware or having been notified in writing by the Trustee of the failure, whichever is earlier;
 - (iv) there has been a breach by the Issuer of any obligation under Issuer's existing contractual obligations which would have a Material Adverse Effect and in the case of a breach which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of thirty (30) days after the Issuer became aware or having been notified in writing by the Trustee of the breach, whichever is earlier;
 - (v) (a) any indebtedness for borrowed moneys of the Issuer or any of its Material Subsidiaries exceeding the sum of Ringgit Malaysia One Hundred Million (RM100,000,000.00) becomes due or payable or capable of being declared due or payable prior to its stated maturity, or (b) any guarantee or similar obligations of the Issuer or any of its Material Subsidiaries is not discharged at maturity or when called upon such declaration of indebtedness exceeding the sum of Ringgit Malaysia One Hundred Million (RM100,000,000.00) being due or payable, or (c) the Issuer or any of its Material Subsidiaries goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, guarantee or other obligations value of which exceeds the sum of Ringgit Malaysia One Hundred Million (RM100,000,000.00), or (d) any security created to secure such indebtedness exceeding the sum of Ringgit Malaysia One Hundred Million (RM100,000,000.00) becomes enforceable, and where any of the above is not discharged

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or disputed in good faith by the Issuer or such Material Subsidiaries in a court of competent jurisdiction within thirty (30) days from the date of such declaration or call or enforcement;

- (vi) an encumbrancer takes possession of, or a trustee, receiver, receiver and manager or similar officer is appointed in respect of the whole or substantial part of the business property or assets of the Issuer or any of its Material Subsidiaries, or distress, legal process, sequestration or any form of execution or process is levied or enforced or sued out against the Issuer or any of its Material Subsidiaries which has a Material Adverse Effect on the Issuer's ability to comply with the Transaction Documents and is not discharged within thirty (30) days after being levied, enforced or sued out, or any Security Interest which may for the time being affect the whole or substantial part of the assets of the Issuer or any of its Material Subsidiaries become enforceable which has a Material Adverse Effect and which in the opinion of the Trustee is capable of being remedied, the Issuer or such Material Subsidiaries does not remedy it within thirty (30) days after the same become enforceable;
- (vii) the Issuer or any of its Material Subsidiaries fails to satisfy any monetary judgment or award against the Issuer or any of its Material Subsidiaries which has a Material Adverse Effect, save and except for judgment or award which is not satisfied due to any compromised settlement entered by the Issuer or any of its Material Subsidiaries and/or an application for a stay of execution has been made and/or there is a pending appeal against the judgment or award;
- (viii) any step is taken for the winding up, dissolution or liquidation of the Issuer or any of its Material Subsidiaries or a resolution is passed for the winding up of the Issuer or any of its Material Subsidiaries or a petition for winding up is presented against the Issuer or any of its Material Subsidiaries and the Issuer or such Material Subsidiaries has not taken any action in good faith to oppose or set aside such petition within thirty (30) days from the date of service of such winding up petition or a winding up order has been made against the Issuer or any of its Material Subsidiaries;
- (ix) the Issuer or any of its Material Subsidiaries convenes a meeting of its creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any substantial part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any substantial part of its indebtedness or any assignment is made for the benefit of its creditors (other than for the purposes of and followed by a reconstruction which has been approved in writing by the Trustee, unless during or following such reconstruction the Issuer becomes or is declared to be insolvent) or where a scheme of arrangement under Section 176 of the Companies Act has been instituted against the Issuer;
- (x) any creditor of the Issuer exercises a contractual right to take over the financial management of the Issuer and such event would have a Material Adverse Effect on the Issuer;
- (x i) (a) the Issuer is deemed unable to pay any of its debts under Section 218(2) of the Companies Act; or (b) the Issuer becomes unable to pay any of its debts as they fall due; or (c) the Issuer suspends or threatens to suspend making payments with respect to all or any of its debts and such event, in each case, would have a Material Adverse Effect on the Issuer, unless in any of the above, the Issuer is disputing in good faith and taking proper legal steps in respect of the matter;
- (xii) anything analogous of any events specified in items (vi), (viii), (ix), (x) and (xi) above occurs under the laws of applicable jurisdiction;
- (xiii) where there is a revocation, withholding, invalidation or modification of any license, authorisation, approval or consent which in the opinion of the Trustee may materially and adversely impair or prejudice the ability of the Issuer to comply with the terms and conditions of the Transaction Documents;
- (xiv) the Issuer changes or threatens to change the nature or scope of a substantial part of its

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business, or suspends or threatens to suspend or ceases or threatens to cease the operation of a substantial part of its business which it now conducts and such change, suspension or cessation would have a Material Adverse Effect;

- (xv) the Issuer repudiates any of the Transaction Documents or the Issuer does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents; and
- (xvi) the whole or a substantial part of the business, property and assets of the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which would have a Material Adverse Effect.
- (xvii) at any time any of the provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable;
- (xviii) any event or events has or have occurred or a situation exists which would have a Material Adverse Effect on the Issuer, and in the case of the occurrence of such event or situation which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy it within a period of thirty (30) days after the Issuer became aware or having been notified in writing by the Trustee of the event or situation, whichever is earlier; and
- (xix) any other events of default as may be advised by the Solicitors and mutually agreed between the Lead Arranger and the Issuer.

Upon the declaration of an Event of Default, no further issuance of Sukuk murabahah may be made under the Sukuk Murabahah Programme and the Trustee may at its discretion or, upon the Sukukholders' instruction, shall institute such proceedings as it thinks fit against the Issuer to enforce payment of the Redemption Amount and all other sum payable under the Sukuk Murabahah Programme and to enforce its rights under the Transaction Documents.

For the purpose of this paragraph, references to "substantial" shall mean such business, property or assets of the Issuer, the book value of which is more than 10% of the Issuer's consolidated net assets. For the avoidance of doubt, the book value of the business, property or assets is as reflected in the Issuer's latest quarterly unaudited financial statements.

"Redemption Amount" means the amount equivalent to the Deferred Sale Price at the date of issuance of the Sukuk Murabahah less the aggregate of Periodic Profit Payments paid (if any) less Ibra' (if any).

"Material Subsidiaries"

means any present and future subsidiary of the Issuer whose profit before tax, as shown by the latest audited accounts of such subsidiary (at company level) is at least 10% of the consolidated profit before tax of the Issuer.

(27) Governing laws : Laws of Malaysia. The Issuer shall unconditionally and irrevocably submit to the exclusive jurisdiction of the courts of Malaysia

(28) Provisions on buy-back : **Redemption on maturity**
Unless previously redeemed or purchased and cancelled, the Sukuk Murabahah will be redeemed by the Issuer at 100% of their nominal value on their respective maturity dates.

Repurchase and Cancellation

The Issuer or any of its subsidiaries or agents may at any time purchase the Sukuk Murabahah at any price in the open market or by private treaty, but these repurchased Sukuk Murabahah shall be cancelled and cannot be resold

(29) Provisions on early redemption : **Early redemption**
The Issuer may redeem the Sukuk Murabahah prior to their maturity by giving the requisite notice period set out in the Transaction Documents at the Redemption Price (as defined herein). The Sukuk Murabahah which are redeemed by the Issuer are to be cancelled.

"Redemption Price" shall be the outstanding Deferred Sale price less the Ibra' (if any).
Ibra' (Rebate)

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The Sukukholder(s) in subscribing or purchasing the Sukuk Murabahah consent to grant an *ibra'*, if the Sukuk Murabahah is redeemed before the maturity date, upon the declaration of an Event of Default or upon such early redemption.

In case of declaration of an Event of Default, the *ibra'* shall be the unearned profit due and calculated from the date of the declaration of an Event of Default up to the Sukuk Murabahah's respective maturity date(s).

In case of an early redemption, the Rebate (*ibra'*) (if any) shall be at the discretion of the Sukukholders based on a formula to be mutually agreed by both parties.

"**ibra'**" means an act of releasing absolutely or conditionally Sukukholders' rights and claims on any obligation against the Issuer which would result in the latter being discharged of its obligation or liabilities towards the Sukukholders. The release may be either partially or in full.

- (30) Voting : Voting by the Sukukholders under the Sukuk Murabahah Programme shall be carried out as follows:
- (31) Permitted investments : No permitted investments
- (32) Ta'widh (for sukuk) : In the event of delay in payments of the Deferred Sale Price under the Sukuk Murabahah Programme, the Issuer shall pay to the Sukukholder(s) compensation on such delayed payments at an amount and manner prescribed by the SC's Shariah Advisory Council from time to time.
- (33) *ibra'* (for sukuk) : **ibra' (Rebate)**
The Sukukholder(s) in subscribing or purchasing the Sukuk Murabahah consent to grant an *ibra'*, if the Sukuk Murabahah is redeemed before the maturity date, upon the declaration of an Event of Default or upon such early redemption.
In case of declaration of an Event of Default, the *ibra'* shall be the unearned profit due and calculated from the date of the declaration of an Event of Default up to the Sukuk Murabahah's respective maturity date(s).
In case of an early redemption, the Rebate (*ibra'*) (if any) shall be at the discretion of the Sukukholders based on a formula to be mutually agreed by both parties.
"**ibra'**" means an act of releasing absolutely or conditionally Sukukholders' rights and claims on any obligation against the Issuer which would result in the latter being discharged of its obligation or liabilities towards the Sukukholders. The release may be either partially or in full.
- (34) Kafalah (for sukuk) : Not applicable.