

PRINCIPAL TERMS AND CONDITIONS**BACKGROUND INFORMATION****1. Issuer**

- (i) Name : Projek Lebuhraya Usahasama Berhad (“**PLUS Berhad**” or the “**Issuer**”).
- (ii) Address : 19-2, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
- (iii) Business Registration No. : 954700-A.
- (iv) Date/Place of Incorporation : 27 July 2011/Malaysia.
- (v) Date of Listing (in case of a public listed company) : Not applicable.
- (vi) Status : Resident-controlled company.
- (vii) Principal Activities : Expressways operation.
- (viii) Board of Directors as at 16 November 2011 : Dato’ Mohd Izzaddin bin Idris
Dato’ Noorazman bin Abd Aziz
Rohaya Mohammad Yusof
Mohamad Hafiz Kassim
- (ix) Structure of shareholdings and names of shareholders or, in the case of public company, names of all substantial shareholders as at 15 November 2011 :
- | Name of Shareholder | Total Shareholding | % Equity Held |
|--|------------------------------------|---------------|
| PLUS Malaysia Sdn Bhd (“ PLUS Malaysia ”) | 100 ordinary shares of RM1.00 each | 100% |
- (x) Authorised share capital as at 15 November 2011 : RM1,000,000.00 divided into 1,000,000 ordinary shares of RM1.00 each.
- (xi) Paid-up share capital as at 15 November 2011 : RM100.00 divided into 100 ordinary shares of RM1.00 each.

2. PRINCIPAL TERMS AND CONDITIONS

(a) Names of parties involved in the proposed transaction (where applicable)

- | | | | |
|---------|--|---|---|
| (i) | Principal Adviser | : | CIMB Investment Bank Berhad (“ CIMB ”). |
| (ii) | Lead Arranger | : | CIMB. |
| (iii) | Co-Arranger | : | Not applicable. |
| (iv) | Solicitors | : | To the Lead Arranger: Messrs. Zaid Ibrahim & Co. (“ Legal Counsel ”).
To the Issuer: Messrs. Kadir Andri and Partners. |
| (v) | Financial Adviser | : | Not applicable. |
| (vi) | Technical Adviser | : | Not applicable. |
| (vii) | Trustee | : | Mayban Trustees Berhad. |
| (viii) | Guarantor | : | Not applicable. |
| (ix) | Valuer | : | Not applicable. |
| (x) | Facility Agent | : | CIMB. |
| (xi) | Primary subscriber (under a bought-deal arrangement) and amount subscribed | : | The primary subscribers under a bought deal arrangement for any issuance will be determined prior to that issuance, if any. There shall be at least two (2) primary subscribers at the point of each issuance of Sukuk Musharakah under the Sukuk Programme (as defined hereinafter). |
| (xii) | Underwriter(s) and amount underwritten | : | Not applicable. |
| (xiii) | Shariah Adviser | : | CIMB Islamic Bank Berhad (backed by CIMB Islamic Shariah Committee). |
| (xiv) | Central Depository | : | Bank Negara Malaysia (“ BNM ”). |
| (xv) | Paying Agent | : | BNM. |
| (xvi) | Reporting Accountant | : | Messrs. Ernst & Young. |
| (xvii) | Calculation Agent | : | Not applicable. |
| (xviii) | Others (please specify) | : | CIMB and other financial institutions to be appointed by the Issuer prior to each issue under the Sukuk |

Programme, as Lead Manager.

CIMB as Security Agent.

PLUS Berhad as Obligor.

**(b) Facility Description
(including description of
Islamic principle)**

: An Islamic medium term notes (“**Sukuk Musharakah**”) issuance programme of up to RM23.35 billion in nominal value based on the Islamic principle of Musharakah (“**Sukuk Programme**”).

In respect of each issue of Sukuk Musharakah under the Sukuk Programme, PLUS Berhad will identify its business comprising rights under the respective toll-road concessions granted by the Government of Malaysia (“**GOM**”) or part thereof which will be used as the underlying asset (“**Underlying Asset**”) for that particular Musharakah transaction.

The potential holders of the Sukuk Musharakah (“**Sukukholders**”) shall via the Trustee, from time to time, form a Musharakah amongst themselves, which is a partnership amongst the Sukukholders, to invest (via the Trustee) in the Underlying Asset (“**Musharakah Venture**”) via the subscription of the Sukuk Musharakah to be issued by PLUS Berhad. PLUS Berhad shall make a declaration that it holds on trust, the Underlying Asset for the benefit of the Sukukholders. The Sukuk Musharakah shall represent amongst others, the Sukukholders’ undivided proportionate interest in the Musharakah Venture. PLUS Berhad shall receive musharakah capital (“**Musharakah Capital**”) arising from the subscription of the Sukuk Musharakah, which is equivalent to the proceeds from the Sukuk Musharakah. There will be at least two (2) Sukukholders forming the Musharakah at each issuance.

The expected return of the Sukukholders from the Musharakah Venture (“**Expected Return**”) shall be the yield for the Sukuk Musharakah up to the maturity date of the Sukuk Musharakah or the date of declaration of an Event of Default/Dissolution Event (“**Dissolution Date**”), whichever is the earlier.

Pursuant to the management agreement to be entered into between PLUS Berhad and the Trustee (acting on behalf of the Sukukholders), the Trustee shall appoint PLUS Berhad as the manager of the Musharakah Venture.

For the avoidance of doubt, the income due to the Sukukholders shall be based on the Musharakah Venture’s undivided, proportionate interest in the Underlying Asset.

In respect of Sukuk Musharakah with periodic distribution, income from the Musharakah Venture of up to an amount equal to a certain percentage of the face value of the Sukuk per annum (“**Expected Periodic Distribution**”) shall be distributed periodically in the form

of periodic distribution (“**Periodic Distribution**”) to the Sukukholders of that particular Sukuk Musharakah. The Periodic Distribution shall be made semi-annually or such period to be determined prior to each issuance of the Sukuk Musharakah (each such date for distribution, a “**Periodic Distribution Date**”). In the event of any shortfall between the Periodic Distribution and the Expected Periodic Distribution for such relevant period, PLUS Berhad shall make top-up (“**Top-up**”) payments to make good the difference. The Top-up payments will be set-off against the Exercise Price (as defined hereinafter). Any income in excess of the Expected Periodic Distribution shall be retained by PLUS Berhad as an incentive fee.

Any profit or losses derived from the Musharakah Venture will be distributed or borne by each Sukukholder in proportion to each Sukukholder’s respective contribution of the Musharakah Capital.

In respect of Sukuk Musharakah without periodic distribution, income from the Musharakah Venture of up to the Expected Return shall be distributed on a one-off basis (“**One-off Distribution**”) upon the maturity date of the Sukuk Musharakah or the Dissolution Date, whichever is the earlier. In the event of any shortfall between the One-off Distribution and the Expected Return for such relevant period, PLUS Berhad shall make Top-up payment to make good the difference. The Top-up payment will be set-off against the Exercise Price. Any income in excess of the Expected Return shall be retained by PLUS Berhad as an incentive fee.

Pursuant to a purchase undertaking granted by PLUS Berhad in favour of the Trustee (acting on behalf of the Sukukholders) (“**Purchase Undertaking**”), PLUS Berhad (as “**Obligor**”) shall undertake to purchase the Sukukholders’ interest in the Musharakah Venture by entering into a sale agreement (“**Sale Agreement**”) and pay the Exercise Price on either the maturity date of the Sukuk Musharakah or on the Dissolution Date, whichever is the earlier. PLUS Berhad shall be entitled to set-off the Exercise Price with any Top-Up payment(s) made.

A diagrammatical illustration of the transaction and the other terms and conditions are set out in Annexure 1.

Exercise Price

In the case of Sukuk Musharakah with periodic distribution, the Exercise Price for the Sukuk Musharakah shall be equivalent to the Musharakah Capital plus the Expected Return less total Periodic Distributions.

In the case of Sukuk Musharakah without periodic distribution, the Exercise Price for the Sukuk

Musharakah shall be equivalent to the Musharakah Capital plus the Expected Return less any One-off Distribution.

PLUS Berhad shall be entitled to set-off from the Exercise Price any Top-up payment(s) made by PLUS Berhad (if any) due to any shortfall between the Periodic Distribution or the One-off Distribution (whichever is applicable) and the Expected Periodic Distribution.

- (c) **Issue/ Programme Size** : The aggregate outstanding nominal value of the Sukuk Musharakah issued under the Sukuk Programme at any point in time shall not exceed RM23.35 billion, as follows:
- (i) Series 1: comprising Sukuk Musharakah with tenures ranging from more than one (1) year and up to twenty five (25) years with an aggregate nominal value of RM21.0 billion (“**Series 1 Sukuk Musharakah**”); and
 - (ii) Series 2: comprising Sukuk Musharakah with tenures ranging from more than one (1) year and up to twenty five (25) years with an aggregate nominal value of RM2.35 billion (“**Series 2 Sukuk Musharakah**”).
- (d) **Tenure of the Issue/sukuk programme** : Tenure of the Sukuk Programme
- The tenure of the Sukuk Programme shall be twenty-five (25) years from the date of the first issue under the Sukuk Programme Provided Always that the Sukuk Programme shall expire before 31 December 2038.
- Tenure of the Sukuk Musharakah
- Each Sukuk Musharakah shall have tenure of more than one (1) year and up to twenty-five (25) years, provided that the Sukuk Musharakah matures prior to the expiry of the Sukuk Programme.
- (e) **Availability period of the sukuk programme** : The period commencing from the date the conditions precedent of the Sukuk Programme are fulfilled and ending on the date falling twenty-five (25) years after the date of the first (1st) issuance of the Sukuk Musharakah under the Sukuk Programme Provided That the first issuance of Sukuk Musharakah under the Sukuk Programme shall be made within two (2) years from the date of the Securities Commission (“**SC**”)’s approval.
- (f) **Profit/Coupon/Rental Rate (%)** : In respect of Sukuk Musharakah with Expected Periodic Distribution, the expected rate of distribution shall be determined prior to each issuance of the Sukuk Musharakah (“**Expected Periodic Distribution Rate**”).
- On any relevant scheduled Periodic Distribution Date, the Expected Periodic Distribution is calculated at the Expected Periodic Distribution Rate on the nominal value of the relevant tranche of Sukuk Musharakah based on the Periodic Distribution Basis (as defined hereinafter).

- Not applicable to Sukuk Musharakah without periodic distribution.
- (g) **Profit/ Coupon/Rental Payment Frequency** : The frequency of the Expected Periodic Distribution for each tranche of the Sukuk Musharakah shall be on a semi-annual basis or such other period of frequency to be agreed between the Issuer and the Lead Manager prior to each issuance of the Sukuk Musharakah.
- Not applicable to Sukuk Musharakah without periodic distribution.
- (h) **Profit/Coupon/Rental Payment Basis** : The Expected Periodic Distribution shall be calculated based on an actual/365 days basis (“**Periodic Distribution Basis**”).
- (i) **Security/Collateral (if any)** : The obligation to pay the Exercise Price shall be secured by the following security arrangement, including but not limited to:
- (i) a first ranking debenture incorporating a first fixed and floating charge on the assets of the Issuer, both present and future;
 - (ii) a first ranking assignment of all the Issuer’s rights, interest, titles and benefits under the respective Concession Agreements and Supplemental Concession Agreements (as defined hereinafter) to demand, collect and retain toll for its own benefit from the Expressways (as defined hereinafter) and any other proceeds therefrom;
 - (iii) a first ranking assignment of all the Issuer’s rights, title and interest in and to the following:
 - (a) all project agreements and contracts related to the respective toll-road concessions;
 - (b) takaful/insurances;
 - (c) all permits and licenses, to the extent where they are assignable;
 - (d) performance bonds and guarantees;
 - (iv) a first ranking assignment of the Designated Account (as defined hereinafter) and the credit balances therein,
- (collectively, the “**Security Documents**”).
- (j) **Details on Utilisation of Proceeds** : The proceeds from the Sukuk Musharakah issued under the Sukuk Programme shall be utilised for Shariah-compliant purposes as follows:
- (i) to part finance the purchase consideration for the proposed acquisition of all the assets, liabilities, business, undertakings and rights of the following concession companies under the Concession

Agreements (as defined hereinafter) (“**Proposed Acquisition**”) by the Issuer (“**Purchase Consideration**”):

- (a) Projek Lebuhraya Utara-Selatan Berhad (Company No 154158-H) (“**PLUS**”);
- (b) Expressway Lingkaran Tengah Sdn Bhd (Company No. 312805-M) (“**ELITE**”);
- (c) Konsortium Lebuhraya Butterworth-Kulim (KLBK) Sdn Bhd (Company No. 276969-H) (“**KLBK**”);
- (d) Linkedua (Malaysia) Berhad (Company No. 233673-W) (“**LINKEDUA**”); and
- (e) Penang Bridge Sdn Bhd (Company No. 360115-X) (“**PBSB**”),

(collectively, the “**Concession Companies**”);

- (ii) to fund capital expenditure, working capital and general funding requirements of the Issuer; and
- (iii) to fund the fees, cost, expenses and all other amounts payable under or in relation to the Proposed Acquisition and the Sukuk Programme.

(k) Sinking Fund and designated accounts (if any)

: PLUS Berhad will open and maintain a Shariah-compliant Finance Service Reserve Account (“**FSRA**”) with a bank acceptable to the Lead Arranger. The FSRA shall be operated solely by the Security Agent.

During the tenure of the Sukuk Programme, the Issuer will make contributions to the FSRA as follows:

- (i) a deposit equivalent to the first fifty percent (50%) of the amount payable in respect of the next projected profit payment of the Sukuk Musharakah, six (6) months prior to the due date of such profit payment; and
- (ii) in respect of the remaining fifty percent (50%) of the amount payable for the next projected profit payment of the Sukuk Musharakah:
 - (a) a deposit equivalent to one third (1/3) of the remaining fifty percent (50%) amount payable, three (3) months prior to the due date of such profit payment;
 - (b) a deposit equivalent to one third (1/3) of the remaining fifty percent (50%) amount payable, two (2) months prior to the due date of such profit payment; and
 - (c) a deposit equivalent to one third (1/3) of the remaining fifty percent (50%) amount payable, one (1) month prior to the due date of such profit payment,

(collectively, the “**Minimum Required Balance**”).

The Issuer shall at all times throughout the tenure of the Sukuk Musharakah maintain the Minimum Required Balance in respect of any projected profit payment of the Sukuk Musharakah. The monies in the FSRA may be withdrawn to pay the Periodic Distribution and the Top Up under the Sukuk Musharakah as and when they fall due under the Sukuk Programme.

For the avoidance of doubt, the Minimum Required Balance shall be funded by the internally generated funds of the Issuer and/or a standby letter of credit procured by the shareholders of the Issuer for the benefit of the Issuer and issued in favour of the Security Agent by a bank with a rating of AAA (or its equivalent).

In the event that the balance held in the FSRA is less than or exceeds the Minimum Required Balance, the shortfall or excess shall be topped up from or released to the Issuer, as the case may be. In the event the Issuer utilises the balance in the FSRA, the Issuer is to top up the FSRA within thirty (30) days of such utilisation so as to comply with the Minimum Required Balance.

Funds held in the FSRA shall be permitted to be invested in Permitted Investments by the Security Agent upon instruction from the Issuer, provided that:

- (i) such funds utilised for the Permitted Investments shall, where necessary, be remitted to the FSRA as the case may be in a timely manner to meet any payment obligations of the Issuer when due and payable;
- (ii) such Permitted Investments are to be held and not traded; and
- (iii) such Permitted Investment shall be denominated in Ringgit Malaysia.

- (l) **Rating and Rating Agency** : The Sukuk Musharakah have been accorded an indicative rating of AAA_{IS} by Malaysian Rating Corporation Berhad (“**MARC**”).
- (m) **Mode of Issue** : Via direct placement on a best effort basis or a bought deal basis or book running on a best effort basis.
Issuance of the Sukuk Musharakah under the Sukuk Programme shall be in accordance with the MyClear Procedures (as defined below), subject to such exemptions (if any) granted from time to time.
- (n) **Selling Restriction, including tradability** : The Sukuk Musharakah are tradable subject to the following restrictions:

Selling Restrictions at Issuance

The Sukuk Musharakah may only be offered, sold, transferred or otherwise disposed directly or indirectly to

a person to whom an offer or invitation to subscribe the Sukuk Musharakah and to whom the Sukuk Musharakah are issued would fall within Schedule 6 or Section 229(1)(b) and Schedule 7 or Section 230(1)(b) of the Capital Markets & Services Act 2007 (“**CMSA**”) and would fall within Schedule 9 or Section 257(3) of the CMSA.

Selling Restrictions Thereafter

The Sukuk Musharakah may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to purchase the Sukuk Musharakah would fall within Schedule 6 or Section 229(1)(b) of CMSA and would fall within Schedule 9 and Section 257(3) of the CMSA.

- (o) **Listing Status and types of listing** : The Sukuk Musharakah may be listed on Bursa Malaysia Securities Berhad (Exempt Regime).
- (p) **Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained (please specify)** : None.
- (q) **Conditions Precedent** : To include but not limited to the following (all have to be in form and substance acceptable to the Lead Arranger):

A. Main Documentation

- (i) The Transaction Documents (as defined hereinafter) have been executed and, where applicable, stamped or endorsed as exempted from stamp duty and presented for registration; and
- (ii) All relevant notices and acknowledgements (where applicable) required under the relevant Security Documents shall have been made or received as the case may be.

B. 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 Forms 24 and 49 of the Issuer;
- (iii) A certified true copy of board resolutions of the Issuer authorising, among others, the execution of the Transaction Documents;
- (iv) A list of the Issuer’s authorised signatories and their

respective specimen signatures;

- (v) A report of the relevant company search of the Issuer; and
- (vi) A report of the relevant winding up search or the relevant statutory declaration of the Issuer.

C. General

- (i) The approval from the SC and, where applicable, all other regulatory authorities;
- (ii) Execution of the relevant Supplemental Concession Agreements, the respective Novation Agreements and all other related documents;
- (iii) Letters of undertaking from the relevant concession companies addressed to the Trustee/Security Agent to undertake to transfer the relevant concession assets to the Issuer, and to deliver to the Security Agent all relevant documents (including the original documents of title) in relation to those assets within fourteen (14) business days from the payment of the purchase price;
- (iv) Letters of undertaking from the relevant trustees/security agents/chargees of the security arrangement under the respective Concession Agreements (as defined hereinafter) to release the security created under the relevant concession assets upon redemption of the existing bonds/sukuk issued in connection with the respective Concession Agreements, and payment of all other financing facilities (if any) having security over the assets to be transferred to the Issuer pursuant to the Proposed Acquisition, and to deliver the duly executed release/ discharge documents and all original documents of title to the Security Agent relating thereto within fourteen (14) business days after redemption of the existing bonds/ sukuk and payment of the financing facilities;
- (v) The Sukuk Programme has been accorded a rating of AAA_{IS} by the Rating Agency;
- (vi) Evidence that all transaction fees, costs and expenses will be paid in full from the proceeds of the Sukuk Programme;
- (vii) Evidence that the Designated Account has been opened;
- (viii) The Lead Arranger having received a legal

opinion from the solicitors in charge of the preparation of the agreement (“**Acquisition Agreement**”) for the Proposed Acquisition (in form and substance acceptable to the Lead Arranger) confirming that (i) the Acquisition Agreement is duly executed and is legal, valid, binding and enforceable against the parties thereto and has not been terminated by either of the parties thereto; and (ii) that all conditions precedent to the completion of the Proposed Acquisition have been met, or if not met or waived, details of such condition precedent;

- (ix) Evidence that all the government support loan granted to the relevant Concession Companies will be terminated by the completion date of the Proposed Acquisition;
- (x) The Lead Arranger has received from its legal counsel a legal opinion addressed to it and the Trustee advising with respect to, among 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;
- (xi) Evidence of confirmation from the Shariah Adviser that the structure and mechanism of the Sukuk Programme and the transaction documents are in compliance with Shariah principles; and
- (xii) Evidence that (a) the single special rights redeemable preference share in the Issuer (“**Golden Share**”) has been issued and is held directly by the GOM via Minister of Finance (Incorporated); and (b) PLUS Malaysia is effectively 51% owned by Khazanah Nasional Berhad via UEM Group Berhad and 49% owned by Employees Provident Fund Board (“**EPF**”) and/or other government linked investment companies.

Condition Subsequent to Issuance : To include but not limited to the following (all have to be in form and substance acceptable to the Lead Arranger):

- (i) The release of security created pursuant to the respective government support loans granted by the GOM in connection with the relevant concession assets within ten (10) business days) upon the Supplemental Concession Agreements becoming unconditional and effective in accordance with the terms therein; and
- (ii) Perfection of all security (if not already perfected prior to the first issue date of the Sukuk Musharakah), including issuance of all notices of

assignment and receipt of corresponding acknowledgements or consents as may be required in accordance with the terms of the Security Documents.

- (r) **Representations and Warranties** : The representations and warranties of the Issuer shall include but are not limited to the following:
- (i) it is a company duly established and existing under Malaysian laws;
 - (ii) it has the power to enter into, exercise its rights under and perform its obligations under the Transaction Documents;
 - (iii) all necessary authorisations, licences, and consents required for its performance under the Transaction Documents have been obtained, renewed, fulfilled and remain in full force and effect;
 - (iv) no registration and no payment of any duty or tax or other action is necessary to ensure the validity, enforceability or admissibility in evidence in Malaysia of the Transaction Documents;
 - (v) its entry into, exercise of its rights under, and performance of the Transaction Documents, do not and will not violate any law or agreement to which it is a party;
 - (vi) no litigation or arbitration is current or, to its knowledge, is threatened, which if adversely determined may have a material adverse effect on its ability to comply with the Transaction Documents;
 - (vii) it is subject to civil and commercial law with respect to its obligations under the Transaction Documents, the transactions contemplated hereby and thereby constitute private and commercial acts done for private and commercial purposes and it is not entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which may include, without limitation, suits, attachment prior to judgment, execution or other enforcement in Malaysia);
 - (viii) each of the Transaction Documents is or will when executed and/or issued, be in full force and effect and constitutes, or will when executed or issued, constitute its valid and legally binding obligations enforceable in accordance with its terms;
 - (ix) the Sukuk Musharakah constitute direct, unconditional and secured obligations of the Issuer and shall at all times rank pari passu without discrimination, preference or priority among themselves and at least pari passu with all other unsecured and unsubordinated obligations of the Issuer, and, in respect of assets subject to

security created by the Security Documents, in priority to all other present and future unsecured and unsubordinated obligations of the Issuer, subject to the provisions of the Transaction Documents and those preferred by law;

- (x) its audited financial statements have been or will be prepared in accordance with approved accounting standards in Malaysia and in accordance with all procedures required by its memorandum and articles of association and the laws of Malaysia and audited and certified by qualified auditors;
- (xi) the information furnished by it in connection with the Sukuk Programme and the Transaction Documents do not contain any false or misleading statement or any material omission and any opinion contained therein were honestly made on reasonable grounds after its due and careful enquiry; and
- (xii) no Event of Default/Dissolution Event or any event which upon the giving of notice and/or the lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the Transaction Documents would constitute an Event of Default/Dissolution Event has occurred and is continuing.

**(s) Events of Default/
Dissolution Events**

: To include but not limited to the following:

- (i) the Issuer fails to distribute/pay any amount due from it under any of the Transaction Documents on the due date (including the non-payment of the Periodic Distribution, the One-Off Distribution, the Exercise Price or Top-up) or, if so payable, on demand;
- (ii) save for the RCULS (as defined hereinafter), any indebtedness for borrowed monies of the Issuer (including but not limited to the Government Guaranteed Sukuk) becomes due or payable or capable of being declared due or payable prior to its stated maturity or where the security created for any indebtedness becomes enforceable or any guarantee or similar obligation of the Issuer is not discharged at maturity or when called and such declaration of indebtedness being due or payable or such call on the guarantee or similar obligation is not discharged or disputed in good faith by the Issuer in a court of competent jurisdiction within a period of thirty (30) days from the date of such declaration or call;
- (iii) 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 Musharakah and/or any of the

Transaction Documents 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 which has a Material Adverse Effect and in the case of such 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 by the Trustee in writing of such failure;

- (iv) the Issuer fails to observe or perform its obligations under any of the Transaction Documents or the Sukuk Musharakah or under any undertaking or arrangement entered into in connection therewith other than an obligation of the type referred to in paragraph (i) above of this section, where such failure has 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 by the Trustee of the failure;
- (v) any step is taken for the winding up, dissolution or liquidation of any of the Issuer or a resolution is passed for the winding up of the Issuer or a petition for winding up is presented against the Issuer and the Issuer has not taken any action in good faith to 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;
- (vi) the Issuer 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 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 part of its indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously 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 1965 has been instituted against the Issuer;
- (vii) an encumbrancer takes possession of, or the appointment of a trustee, receiver, receiver and manager or similar officer in respect of any part of the business or assets of the Issuer, or distress,

- legal process, sequestration or any form of execution is levied or enforced or sued out against the Issuer which may have a Material Adverse Effect and no proceedings are initiated in court by the Issuer within thirty (30) days of receipt of notice, or any security interest which may for the time being affect any of its assets becomes enforceable;
- (viii) the Issuer fails to satisfy any judgement passed against it by any court of competent jurisdiction and no appeal against such judgment or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed;
 - (ix) termination of any of the Concession Agreements or the Supplemental Concession Agreements where such termination has a Material Adverse Effect;
 - (x) if at any time the Issuer breaches the terms of any of the Concession Agreements or the Supplemental Concession Agreements except:
 - (a) where such breach is not materially prejudicial to the interest of the Sukukholders; and
 - (b) in respect of any breach which the Issuer receives notice from GOM to remedy, the breach is remedied within a period of three (3) months from the notice of such breach or such other longer period as stipulated in the relevant Concession Agreement or such other period as agreed by the Trustee;
 - (xi) there has been a breach by the Issuer of any obligation under any of the Issuer's existing contractual obligations which may materially and adversely affect its ability to perform its obligations under the Transaction Documents and, if 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 of the breach or having been notified by the Trustee of the breach;
 - (xii) where there is a revocation, withholding or modification of any license, authorisation, approval or consent which in the opinion of the Trustee may materially and adversely impairs or prejudices the ability of the Issuer to comply with the terms and conditions of the Sukuk Musharakah or the Transaction Documents;
 - (xiii) at any time any of the provisions of the Transaction Documents is or becomes illegal,

void, voidable or unenforceable;

- (xiv) the Issuer is without dispute deemed unable to pay any of its debts within the meaning of Section 218 of the Companies Act, 1965 or becomes unable to pay any of its debts as they fall due or suspend or threaten to suspend making payments with respect to all or any class of its debts and the Issuer has not taken any action in good faith to set aside such claims of debt payment within thirty (30) days from the date of service of such claims for debt payment;
- (xv) the Issuer changes or threatens to change the nature or scope of a substantial part its business, or suspends or threatens to suspend or cease or threatens to cease the operation of a substantial part of its business which it now conducts directly or indirectly and such change or suspension or cessation has a Material Adverse Effect;
- (xvi) 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;
- (xvii) the GOM, either directly or indirectly via Minister of Finance (Incorporated), EPF and/or Khazanah Nasional Berhad collectively, ceases to be the single largest shareholder with management control in PLUS Malaysia;
- (xviii) the GOM, through the Minister of Finance (Incorporated) of Malaysia (“**Special Shareholder**”), ceases to hold the Golden Share issued by the Issuer to the Special Shareholder;
- (xix) the Issuer ceases to be a direct wholly-owned subsidiary of PLUS Malaysia;
- (xx) any of the assets, undertakings, rights or revenue of the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which results in a Material Adverse Effect;
- (xxi) the Issuer fails to maintain the Minimum Required Balance in accordance with the terms herein; or
- (xxi) any event or events has or have occurred or a situation exists which has a Material Adverse Effect, 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 by the Trustee of the event or situation.

Upon the occurrence of any of the events above, the Trustee may, at its sole and absolute discretion, or shall

if directed to do so by an extraordinary resolution of the Sukukholders, declare (by giving notice in writing to the Issuer) that an Event of Default/Dissolution Event has occurred and the Trustee is entitled to enforce its rights under the Transaction Documents, including requiring the Obligor as stipulated under the Purchase Undertaking to purchase the Sukukholders' interest in the Musharakah Venture by entering into a Sale Agreement and pay the Exercise Price, and the Security Agent is entitled to enforce its rights under the Transaction Documents.

(t) Covenants

(1) Positive Covenants

: To include but not limited to the following:

- (i) the Issuer shall 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 be necessary for it to own its assets, to carry on its business or for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the financiers under the Transaction Documents and the Issuer shall comply with the same;
- (ii) the Issuer shall execute all such further documents and do all such further acts as the Trustee or the Security Agent may reasonably consider necessary or expedient at any time or times to give effect to the terms and conditions of the Transaction Documents;
- (iii) the Issuer shall exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices;
- (iv) the Issuer shall promptly perform and carry out all its obligations under all the Transaction Documents (including but not limited to redeeming the Sukuk Musharakah on the relevant Maturity Date(s) or any other date on which the Sukuk Musharakah are due and payable) and ensure that it shall immediately notify the Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents;
- (v) the Issuer shall prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in Malaysia and

those financial statements shall give a true and fair view of the results of the operations of the Issuer for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Issuer;

- (vi) the Issuer shall promptly comply with all applicable laws relating to the ownership of its assets, and the entry into and performance by the Issuer of its obligations under the Transaction Documents to which it is a party, including the provisions of the CMSA and/or all the notes, circulars, conditions or guidelines issued by the SC from time to time as may be applicable to it;
- (vii) the Issuer will promptly give to the Trustee such financial or other information relating to the Issuer's business and its operations or any other information as the Trustee may reasonably require for the performance of its duties and the exercise of its powers to the extent permitted under the law;
- (viii) the Issuer will instruct the auditors to disclose to the Trustee such information relating to the Issuer as the Trustee may reasonably require for the purpose of performing its duties and exercising its powers and the Issuer shall consult the Trustee before any changes are made to the appointed auditors;
- (ix) the Issuer shall maintain at all times a paying agent in Malaysia in respect of payments in relation to the Sukuk Musharakah in accordance with the relevant laws and regulations;
- (x) the Issuer shall procure that the Paying Agent shall notify the Trustee in the event that the Paying Agent does not receive payment from the Issuer on the due dates as required under the trust deed and the terms and conditions of the Sukuk Musharakah;
- (xi) the Issuer shall ensure that, save in relation to issuances of the Series 2 Sukuk Musharakah, prior to any issuance(s) of Sukuk Musharakah after the date of the first issue of Sukuk Musharakah under the Sukuk Programme, the Issuer shall have obtained a confirmation in writing from the Rating Agency that the prevailing rating of the Sukuk Programme and the outstanding Sukuk Musharakah issued hereunder will not be adversely affected by such further issuance(s) of Sukuk Musharakah; and
- (xii) the Issuer shall ensure that none of the Government Guaranteed Sukuk shall be redeemed or repurchased so long as any Sukuk

Musharakah remain outstanding.

- (2) Negative Covenants** : To include but not limited to the following:
- (i) the Issuer will not incur or permit to exist any indebtedness for borrowed monies (which, for the purpose of this clause, shall include any monies raised through any Islamic financing transaction such as the issuance of sukuk) nor give any guarantees in respect of any indebtedness for borrowed monies to any person or entity whatsoever other than the facility contemplated under the Transaction Documents, the Government Guaranteed Sukuk (as defined hereinafter) and the Permitted Indebtedness (as defined hereinafter);
 - (ii) the Issuer shall not create or permit to exist any encumbrances, mortgages, charges (whether fixed or floating), pledges, liens, hypothecations, assignments by way of security, trust arrangements for the purpose of providing security or other security interest of any kind including, without limitation, title transfers and/or retention arrangements having a similar effect or any agreement to create any of the foregoing, save for:
 - (a) the security interest as contemplated under the Transaction Documents and the Government Guaranteed Sukuk; and
 - (b) the security interest created by the operation of law and those arising from the ordinary course of the Issuer's business over any of its undertaking, property, assets, revenues or rights;
 - (iii) the Issuer shall not obtain or permit to exist any loans or advances from its shareholders unless these loans and advances are subordinated to the Sukuk Musharakah;
 - (iv) the Issuer shall not dispose of any of its assets, save for:
 - (a) as contemplated by the terms of the Transaction Documents;
 - (b) where such assets to be disposed do not exceed in aggregate of five percent (5%) of (1) the Issuer's net assets (as shown in the latest audited consolidated accounts of the Issuer); or (2) RM3.4 billion, whichever is higher, in any financial year; or
 - (c) where the asset disposal is solely for the purpose of facilitating Shariah-compliant

financing;

- (v) the Issuer shall not take steps to wind up or dissolve itself;
- (vi) the Issuer shall not declare or pay any dividends or make any distribution (including any coupon payments under the RCULS) whether income or capital in nature to its shareholders and also grant any advances or loans if:
 - (a) the requirements with respect to the FSCR ratio have not been met or will not be met after such payment or distribution;
 - (b) an Event of Default/Dissolution Event has occurred, is continuing and has not been remedied or waived; or
 - (c) any payments under the arrangements pertaining to the Sukuk Musharakah is overdue and unpaid or if any of the payments under the arrangements pertaining to the Sukuk Musharakah which has become payable has not been paid as a consequence of a default by the Issuer;

For the avoidance of doubt, the amount of coupons payable under the RCULS in any financial year of the Issuer shall not exceed RM335.0 million. Further, any coupons under the RCULS that are not paid in any financial year of the Issuer shall not be paid in the following financial years. However, the Issuer may pay coupons under the RCULS above RM335.0 million in any financial year provided that the Rating Agency confirms in writing that the prevailing rating of the outstanding Sukuk Musharakah and the Sukuk Programme will not be adversely affected following such payment;

- (vii) the Issuer shall not add, delete, amend or substitute its Memorandum or Articles of Association in a manner inconsistent with the provisions of the Transaction Documents unless otherwise required under the law or to increase its authorised capital;
- (viii) the Issuer shall not and shall not agree to amend, vary, terminate, replace or supplement any of the project documents (including the Concession Agreements and the Supplemental Concession Agreements) without the prior written consent of the Sukukholders;
- (ix) save as contemplated in the Transaction Documents, the Issuer shall not reduce its authorised or paid-up capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its

share capital into stocks, or by consolidating, dividing or sub-dividing all or any of its shares, or by any other manner;

- (x) unless otherwise notified to the Lead Arranger previously, the Issuer shall not enter into any agreement with its shareholders, subsidiaries or associated companies unless such agreement is entered into:
 - (a) in the ordinary course of its business;
 - (b) on an arms-length basis; and
 - (c) will not have a Material Adverse Effect;
- (xi) the Issuer shall not lend any money to any party save for any loans/financing to its directors, officers or employees as part of their terms of employment; and
- (xii) the Issuer shall not change the utilisation of proceeds of this Sukuk Programme.

- (3) Financial Covenants** : The Issuer is to ensure that the Finance Service Cover Ratio (“**FSCR**”) at each Calculation Date (as defined below) shall not be less than 2.0 times during the tenure of the Sukuk Programme.

The FSCR on any date is the ratio of Available Cash Flow (as defined hereinafter) to the aggregate of:

- (i) all principal obligations paid by the Issuer under the Sukuk Programme (excluding any amount rolled over in the same period); plus
- (ii) all other senior principal obligations paid by the Issuer under any other financing/borrowings including the Government Guaranteed Sukuk (as defined hereinafter), but excluding the RCULS; plus
- (iii) all profit payments paid under the Sukuk Musharakah and any other senior financing/borrowings or indebtedness including the Government Guaranteed Sukuk but excluding any coupons paid under the RCULS.

The FSCR calculations shall be duly confirmed by the Issuer’s external auditor and based on the latest audited consolidated accounts of the Issuer. The Issuer shall arrange for the external auditor’s confirmation to be forwarded to the Facility Agent for its distribution to the Trustee and the Rating Agency.

For the avoidance of doubt, the profit payments (if any) paid under the Series 2 Sukuk Musharakah up to 5.50% p.a. on the notional amount of the outstanding Series 2 Sukuk Musharakah shall be excluded from the

calculations of the FSCR for the purposes of this principal terms and conditions in the event the GOM provides a subsidy of 5.50% p.a. on the profit payments on the notional amount of the outstanding Series 2 Sukuk Musharakah and for so long as such subsidy remains effective.

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

Available Cash Flow

In any financial year of the Issuer, the sum of:

- (i) all revenues, royalties, fees received by the Issuer and any other receipts of a capital or revenue nature under any agreement;
- (ii) all distribution, profit, income on cash balances and designated accounts, returns and realised gains received by the Issuer;
- (iii) any compensation sums received by the Issuer from the GOM in connection to or pursuant to the Concession Agreements;
- (iv) any claims received in respect of third party performance bonds, maintenance bonds, guarantees or any other compensation received;
- (v) all other revenue and cash receipts of the Issuer;
- (vi) the beginning credit balance in the Designated Account and other bank accounts;
- (vii) all proceeds of takaful/insurance claim and amounts received by the Issuer; and
- (viii) the amount covered by the relevant standby letter of credit provided in relation to the FSRA,

Less:

- (i) the total amount paid on takaful/insurances, operations, maintenance, administration, management and overheads and fees;
- (ii) taxes paid or such other contributions paid by the Issuer;
- (iii) capital expenditure incurred and paid by the Issuer (save for any capital expenditure incurred and paid by the Issuer via the Series 2 Sukuk Musharakah); and
- (iv) dividends to be paid or any distribution to be paid (including any coupons to be paid under the RCULS) whether income or capital in nature to its shareholders.

For the avoidance of doubt, for purposes of calculating the FSCR, the provision of paragraph (viii) above in relation to “the amount covered by the relevant standby letter of credit provided in relation to the FSRA” shall only be applicable from 1 January 2015 onwards until the expiry of the Sukuk Programme. Any double counting shall be disregarded.

“**Calculation Date**” means such date in respect of any calculation required to be made prior to any payment of dividend, other distribution or advances as permitted under the Transaction Documents.

“**Government Guaranteed Sukuk**” refers to the Sukuk issuance of up to RM11.0 billion in nominal value issued or to be issued by the Issuer and backed by an irrevocable and unconditional guarantee from the GOM.

“**RCULS**” refers to the redeemable convertible unsecured loan stocks issued by PLUS Berhad to PLUS Malaysia with a nominal value of RM3.35 billion.

(4) Information Covenants

: To include but not limited to the following:

- (i) the Issuer shall provide to the Trustee at least on an annual basis, a certificate confirming that it has complied with all its obligations under the Transaction Documents and the terms and conditions of the Sukuk Musharakah and that there does not exist or had not existed, from the date the Sukuk Musharakah were issued or the date of the previous certificate, as the case may be, any Event of Default/Dissolution Event, 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 financial statements for that year or if applicable, its consolidated financial statements for that year, which shall contain the income statements and balance sheets of the Issuer and which are audited and certified without qualification by a firm of independent certified public accountants acceptable to the Trustee;
 - (b) as soon as they become available (and in any event within ninety (90) days after the end of the first half of its financial year) copies of its unaudited half yearly financial

statements or if applicable, its unaudited half yearly consolidated financial statements for that period which shall contain the income statements and balance sheets of the Issuer which are duly certified by any one of its directors;

- (c) promptly, all notices or other documents received by the Issuer from any of its shareholders or its creditors which contents may materially and adversely affect the interests of the Sukukholders, 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 which contents may materially and adversely affect the interests of the Sukukholders at the same time as these documents are dispatched to these shareholders or creditors,
- (iii) the Issuer shall promptly notify the Trustee of any change in its shareholders;
- (iv) the Issuer shall promptly notify the Trustee of any change in circumstances which may have a Material Adverse Effect;

For the purposes of this principal terms and conditions, “**Material Adverse Effect**” means any material adverse effect on: (i) the business or condition (financial or otherwise) or results of the operations of the Issuer or its prospects; (ii) the ability of the Issuer to perform any of its obligations under any of the Transaction Documents; and/or (iii) the validity or enforceability of the Transaction Documents or the right of remedies of the Trustee, Security Agent, or the Sukukholders thereunder.

- (v) the Issuer shall promptly notify the Trustee of any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer before any court or tribunal or administrative agency which may have a Material Adverse Effect; and
- (vi) the Issuer shall promptly give notice to the Trustee of the occurrence of any Event of Default/Dissolution Event or any event which, upon the giving of notice and/or lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the relevant Transaction

Document would constitute an Event of Default/Dissolution Event (“**Potential Event of Default**”) forthwith upon becoming aware thereof, and it shall take all reasonable steps and/or such other steps as may reasonably be requested by the Trustee to remedy and/or mitigate the effect of the Event of Default/Dissolution Event or the Potential Event of Default.

(u) Provisions on buy-back and early redemption of sukuk

- (1) Redemption** : Unless previously redeemed or purchased and cancelled, the Sukuk Musharakah will be redeemed by the Issuer at 100% of their nominal value on their respective maturity dates pursuant to the relevant Exercise Price.
- (2) Repurchase and Cancellation** : The Issuer or its subsidiaries or its agent may at any time purchase the Sukuk Musharakah at any price in the open market or by private treaty, but these purchased Sukuk Musharakah shall be cancelled and cannot be reissued.

(v) Other principal terms and conditions for the issue

- (1) Issue Price** : The Sukuk Musharakah may be issued, at a premium, at par or at a discount and the issue price shall be calculated in accordance with the Operational Procedures for Securities Services issued by Malaysian Electronic Clearing Corporation Sdn Bhd (“**MyClear**”), as amended or substituted from time to time (“**MyClear Procedures**”).
- The issue price of the relevant Sukuk Musharakah shall be determined prior to each issuance.
- (2) Minimum Level of Subscription** : The minimum level of subscription for each Sukuk Musharakah issue that is not issued on a bought deal basis or direct placement basis (which shall be fully subscribed) shall be 5% of the size of the particular issue.
- (3) Status** : The Sukuk Musharakah shall constitute direct, unconditional and secured obligations of the Issuer and shall at all times rank pari passu, without discrimination, preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, and, in respect of assets subject to security created by the Security Documents, in priority to all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law and the

Transaction Documents.

- (4) Issue** : The Sukuk Musharakah may be issued in multiples of RM1,000,000.00, but subject to the MyClear Procedures and other standard conditions including, without limitation, the following:
- (i) a minimum issue size of RM10.0 million for each issue; and
 - (ii) the issue notice shall be given to the Lead Arranger at least eight (8) business days (for the first issue) or six (6) business days (for subsequent issues) prior to and excluding the date of proposed issue.
- (5) Form and Denomination** : The Sukuk Musharakah shall be issued in accordance with (1) the “Participation and Operation Rules for Payment and Securities Services” issued by Malaysian Electronic Clearing Corporation Sdn Bhd (“**MyClear Rules**”) and (2) MyClear Procedures, or their replacement thereof (collectively the “**MyClear Rules and Procedures**”) applicable from time to time.
- Each tranche of the Sukuk Musharakah shall be represented by a global certificate to be deposited with BNM, and is exchanged for definitive bearer form only in certain limited circumstances. The denomination of the Sukuk Musharakah shall be RM1,000,000.00 or in multiples of RM1,000,000.00 at the time of issuance.
- (6) Availability** : Upon completion of documentation and, unless waived by the Lead Arranger, compliance of all conditions precedent and other applicable conditions to the satisfaction of the Lead Arranger, provided that the first issuance of the Sukuk Musharakah shall not be later than two (2) years from the date of the SC’s approval.
- (7) Permitted Indebtedness** : Permitted Indebtedness shall comprise:
- (i) subordinated loan stocks, any hire purchase or trade facilities taken by the Issuer;
 - (ii) working capital facilities including revolving credit facilities, bank guarantee facility, overdraft facility, capital leases granted by any financial institution, short term debt not exceeding twelve (12) months of up to an aggregate principal amount of RM50,000,000.00;
 - (iii) performance guarantees/maintenance guarantees granted or to be granted in favour of GOM as required under the respective Concession Agreements and the Supplemental Concession Agreements of up to an aggregate principal

amount of RM100,000,000.00; and/or

- (iv) any Government Support Loan (“**GSL**”) of up to RM2.35 billion granted or to be granted by GOM in favour of the Issuer Provided Always that any GSL amount granted in favour of the Issuer shall be utilised to refinance Series 2 Sukuk Musharakah of an equivalent principal amount and/or to finance the capital expenditure requirements of the Issuer.

(8) Permitted Investments : Permitted Investments shall comprise investment products approved by the SC’s Shariah Advisory Council (“**SAC**”). For the purpose of the Sukuk Programme, the Permitted Investments are as follows:

- (i) Mudharabah, wadiah and other deposits under Shariah principles with licensed financial institutions; or
- (ii) Islamic bankers acceptances, bills and other Islamic money market instruments issued under Shariah principles by licensed financial institutions with a short term rating of P1 and a minimum long term rating of AA3 or their equivalent; or
- (iii) Islamic treasury bills, Islamic money market instruments, and other Islamic securities issued under Shariah principles by BNM or the GOM; or
- (iv) Islamic securities/sukuk issued by quasi government or government related corporations under Shariah principles with a short term rating of P1 and a minimum long term rating of AA3 or their equivalent or Islamic securities/sukuk guaranteed by the GOM;
- (v) Islamic securities/sukuk issued by corporations under Shariah principles with a short term rating of P1 and a minimum long term rating of AA3 or their equivalent, or by financial institutions or guaranteed by licensed financial institutions with a short term rating of P1 or a minimum long term rating of AA3 and their equivalent; or
- (vi) any Islamic fund approved by the SC which invests in any of the instruments above.

(9) Identified Assets : The Underlying Asset as defined in the Facility Description item above.

The Underlying Asset shall be endorsed by the Shariah Adviser.

(10) Purchase Undertaking : Pursuant to a purchase undertaking granted by PLUS Berhad (as Obligor) in favour of the Trustee (acting on behalf of the Sukukholders) (“**Purchase Undertaking**”), PLUS Berhad shall undertake to purchase the Sukukholders’ interest in the Musharakah Venture by

entering into a sale agreement (“**Sale Agreement**”) and pay the Exercise Price:

- (i) upon the maturity date of the Sukuk Musharakah; or
- (ii) upon the Dissolution Date,

at the relevant Exercise Price and, following such purchase by the Obligor, the Sukuk Musharakah held by the relevant Sukukholders shall be cancelled.

PLUS Berhad will be entitled to set-off the Exercise Price with any Top-Up payment(s) made.

- (11) Compensation for Late & Default Payments (“Ta’widh”)** : In the event of any overdue payments of the Exercise Price, the Issuer shall pay the compensation on such overdue amounts at the rate and manner prescribed by the SC’s SAC from time to time in accordance with Shariah.
- (12) Taxation** : All payments by the Issuer shall be made without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia or any other applicable jurisdictions, or any authority thereof or therein having power to tax.
- (13) Governing Laws** : Laws of Malaysia.
- (14) Jurisdiction** : The Issuer shall unconditionally and irrevocably submit to the exclusive jurisdictions of the courts of Malaysia.
- (15) No payment of Interest** : For the avoidance of doubt and notwithstanding any other provision to the contrary herein contained, it is agreed and declared that nothing in this principal terms and conditions and the transaction documents shall oblige or entitle any party nor shall any party pay or receive or recover interest on any amount due or payable to another party pursuant to the principal terms and conditions or the transaction documents and the parties hereby expressly waive and reject any entitlement to recover such interest.
- (16) Other Conditions** :
 - (i) The Sukuk Musharakah shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM, MyClear and/or any other authority in Malaysia having jurisdiction over matters pertaining to the Sukuk Musharakah.
 - (ii) The terms and conditions of this principal terms and conditions shall be treated as confidential prior to the awarding of the mandate to the Lead Arranger.
- (17) Due Diligence** : The Lead Arranger will arrange for a due diligence investigation and the obligations of CIMB in this principal

terms and conditions are subject to the successful completion of such due diligence and the results being satisfactory to the Lead Arranger. In this context, the Legal Counsel of the Lead Arranger and the Reporting Accountant shall be required to provide and address their respective written opinions and confirmations to the Lead Arranger in the form and substance acceptable to the Lead Arranger.

- (18) Other Expenses** : All costs, charges and expenses including trustee and security trustee fee, legal and other professional fees, abortive fees, rating fees, stamp duties (if any), penalties, SC and BNM fees, and other incidental costs, charges and expenses shall be borne by the Issuer, even if the Sukuk Programme is subsequently aborted for any reason whatsoever.
- (19) Clear Market** : For the first issuance of the Sukuk Musharakah, from the date of provision of a formal offer by the Lead Arranger to sixty (60) days after the first issuance of the relevant Sukuk Musharakah, and for the subsequent issuance(s) of the Sukuk Musharakah, from sixty (60) days before the relevant issuance date to sixty (60) days after the relevant issuance date, the Issuer shall ensure that no other borrowings, debt instruments or securities issued and/or guaranteed by the Issuer and/or any of its subsidiaries and associated companies are mandated, syndicated or privately placed which may, in the opinion of the Lead Arranger, have the effect of prejudicing the successful completion of this transaction and the placement and/or selling down of the Sukuk Musharakah.
- (20) Adverse Market** : From the date of provision of a formal offer by the Lead Arranger until the first issue date of the Sukuk Musharakah and, for subsequent issuance of the Sukuk Musharakah, prior to the respective issuance dates, the Lead Arranger retains the right to amend, withdraw and/or terminate the offer if there occurs any event or circumstance which, in the opinion of the Lead Arranger, may materially and adversely affect any of the international and domestic money, capital or syndicated loan markets, the business activities of the Issuer and/or any of its subsidiaries and/or associated companies, and/or the social, political, financial and/or economic situation in Malaysia.
- (21) Transaction Documents** :
- (i) Programme Agreement;
 - (ii) Trust Deed;
 - (iii) Declaration of Trust;
 - (iv) Management Agreement;
 - (v) Purchase Undertaking;
 - (vi) Musharakah Agreement(s);

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- (vii) Sale Agreement;
 - (viii) the Security Documents; and
 - (ix) any other relevant documents agreed between the parties that may be required to complete the Sukuk Programme as advised by the Lead Arranger's Legal Counsel.
- (22) Concession Agreements** :
- (i) Concession Agreement dated 18 March 1988 between the GOM and United Engineers (Malaysia) Berhad which was novated to PLUS on 20 July 1988, as supplemented by the Supplemental Concession Agreement dated 8 July 1999, the Second Supplemental Concession Agreement dated 11 May 2002 and the Third Supplemental Concession Agreement dated 22 April 2005;
 - (ii) Concession Agreement dated 26 April 1994 between the GOM and United Engineers (Malaysia) Berhad which was novated to ELITE on 27 January 1995, as supplemented by the Supplemental Concession Agreement dated 9 January 1997, the Second Supplemental Concession Agreement dated 23 March 2001 and the Third Supplemental Concession Agreement dated 10 January 2003;
 - (iii) Concession Agreement dated 28 June 1994 between the GOM and KLBK, supplemented by the supplemental agreement dated 4 June 2007;
 - (iv) Concession Agreement dated 27 July 1993 between the GOM and United Engineers (Malaysia) Berhad which was novated to LINKEDUA on 10 May 1994, as supplemented by the Supplemental Agreement dated 12 September 1994 and the Second Supplemental Concession Agreement dated 30 May 2000; and
 - (v) Concession Agreement dated 30 September 1993 between the GOM and Mekar Idaman Sdn Bhd which was novated to PBSB on 23 November 1995, as supplemented by the Supplemental Concession Agreement dated 30 August 2007 and the Second Supplemental Agreement dated 2 November 2011.
- (23) Supplemental Concession Agreements** :
- Each of the respective Supplemental Concession Agreements, all dated 11 November 2011 between the GOM and PLUS Berhad, in relation to the following
 - (i) PLUS;
 - (ii) ELITE;
 - (iii) KLBK;
 - (iv) LINKEDUA; and

(v) PBSB.

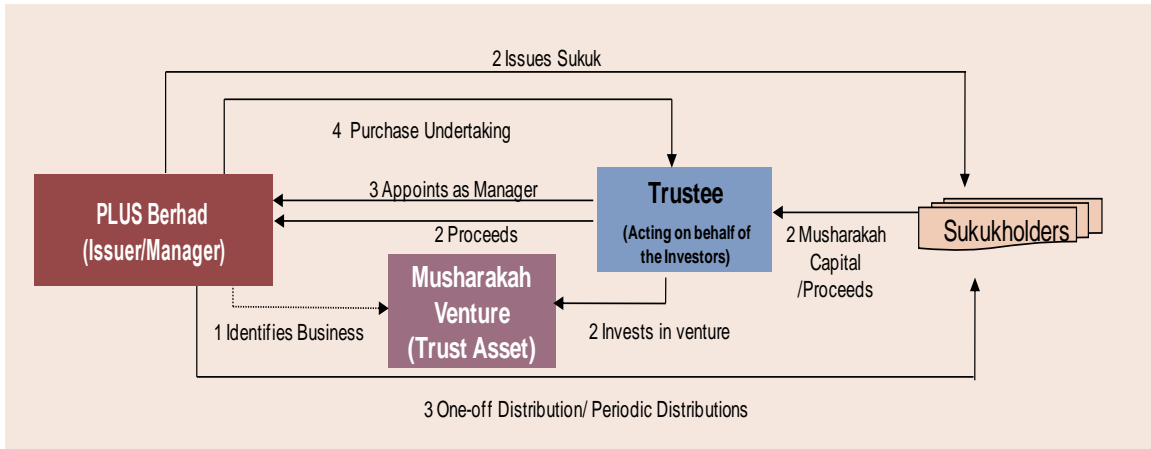
(24) Expressways

- : (i) In respect of PLUS, any or all of the sections of the North-South Interurban Toll Expressway, the New Klang Valley Expressway, the Federal Highway Route 2 between Subang and Klang, the Seremban-Port Dickson Highway, the Johor Causeway from the Malaysia-Singapore border and includes all traffic lanes, acceleration lanes, deceleration lanes, shoulders, median strips, bridges, overpasses, underpasses, interchanges, approaches, entrance and exit ramps, toll plazas, lay-bys, rest and service areas, maintenance centres, highway furniture, signs and other structures and fixtures and any other areas for regional and district offices of PLUS;
- (ii) In respect of ELITE, the North-South Expressway Central Link including the Additional Expressway (as defined in the Elite's Concession Agreement) including its interchanges, traffic lanes, acceleration and deceleration lanes, shoulders, median, laybys, toll plazas, highway signs, embankment slopes, street lightings, administrative office, landscaping and other structures therein or relating thereto, but excluding building structures relating to the Ancillary Facilities (as defined in ELITE's Concession Agreement);
- (iii) In respect of KLBK, the Butterworth-Kulim Highway and all parts including its interchanges, traffic lanes, acceleration and deceleration lanes, shoulders, median lay-bys, toll plazas, highway signs, embankment slopes, street lightings and other structures therein or relating thereof, but excluding buildings structures relating to the Ancillary Facilities (as defined in KLBK's Concession Agreement);
- (iv) In respect of LINKEDUA, those roads, interchanges and other areas more particularly described in Appendix I of LINKEDUA's Concession Agreement including all traffic lanes, acceleration lanes, deceleration lanes, shoulders, median strips, bridges, overpasses, underpasses, approaches, entrance and exit ramps, toll plazas, highway signs, cut or filled embankment slopes, street lighting, the Ancillary Facilities, Toll Plaza A and Toll Plaza B in the CIO Complex which forms part of Expressway A (the capitalised terms shall have the meaning defined in LINKEDUA's Concession Agreement); and
- (v) In respect of PBSB, the Bridge and Interchanges including all traffic lanes, acceleration lanes,

deceleration lanes, shoulders, median strips, bridges, overpasses, underpasses, approaches, entrance and exit ramps, toll plazas, highway signs, cut or filled embankment slopes, street lighting and any other structure thereon or relating thereto excepting however the office premises and structures located within the area shown as hatched on the plan forming part of the Appendix III of PBSB's Concession Agreement and the Ancillary Facilities (the capitalised terms shall have the meaning defined in PBSB's Concession Agreement).

- (25) Novation Agreements** :
- (i) In respect of PLUS, the Novation Agreement dated 11 November 2011 made between the GOM, PLUS and PLUS Berhad;
 - (ii) In respect of ELITE, the Novation Agreement dated 11 November 2011 made between the GOM, ELITE and PLUS Berhad;
 - (iii) In respect of KLBK, the Novation Agreement dated 11 November 2011 made between the GOM, KLBK and PLUS Berhad;
 - (iv) In respect of LINKEDUA, the Novation Agreement dated 11 November 2011 made between the GOM, LINKEDUA and PLUS Berhad; and
 - (v) In respect of PBSB, the Novation Agreement dated 11 November 2011 made between the GOM, PBSB and PLUS Berhad.

Annexure 1



<p>Step 1</p>	<p>In respect of each issue of Sukuk Musharakah under the Sukuk Programme, PLUS Berhad will identify its business comprising rights under the respective toll-road concessions granted by the Government of Malaysia (“GOM”) or part thereof which will be used as the underlying asset (“Underlying Asset”) for that particular Musharakah transaction.</p>
<p>Step 2</p>	<p>The potential holders of the Sukuk Musharakah (“Sukukholders”) shall via the Trustee, from time to time, form a Musharakah amongst themselves, which is a partnership amongst the Sukukholders, to invest (via the Trustee) in the Underlying Asset (“Musharakah Venture”) via the subscription of the Sukuk Musharakah to be issued by PLUS Berhad. PLUS Berhad shall make a declaration that it holds on trust, the Underlying Asset for the benefit of the Sukukholders. The Sukuk Musharakah shall represent amongst others, the Sukukholders’ undivided proportionate interest in the Musharakah Venture. PLUS Berhad shall receive musharakah capital (“Musharakah Capital”) arising from the subscription of the Sukuk Musharakah, which is equivalent to the proceeds from the Sukuk Musharakah. There will be at least two Sukukholders forming the Musharakah at each issuance.</p>
<p>Step 3</p>	<p>The expected return of the Sukukholders from the Musharakah Venture (“Expected Return”) shall be the yield for the Sukuk Musharakah up to the maturity date of the Sukuk Musharakah or the date of declaration of an Event of Default/Dissolution Event (“Dissolution Date”), whichever is the earlier.</p> <p>Pursuant to the management agreement to be entered into between PLUS Berhad and the Trustee (acting on behalf of the Sukukholders), the Trustee shall appoint PLUS Berhad as the manager of the Musharakah Venture.</p> <p>In respect of Sukuk Musharakah with periodic distribution, income from the Musharakah Venture of up to an amount equal to a certain percentage of the face value of the Sukuk Musharakah per annum, (“Expected Periodic Distribution”) shall be distributed periodically in the form of periodic distribution (“Periodic Distribution”) to the Sukukholders of that particular Sukuk Musharakah. The</p>

	<p>Periodic Distribution shall be made semi-annually or such period to be determined prior to each issuance of the Sukuk Musharakah (each such date for distribution, a “Periodic Distribution Date”). In the event of any shortfall between the Periodic Distribution and the Expected Periodic Distribution for such relevant period, PLUS Berhad shall make top-up (“Top-up”) payments to make good the difference. The Top-up payments will be set-off against the Exercise Price (as defined hereinafter). Any income in excess of the Expected Periodic Distribution shall be retained by PLUS Berhad as an incentive fee.</p> <p>In respect of Sukuk Musharakah without periodic distribution, income from the Musharakah Venture of up to the Expected Return shall be distributed on a one-off basis (“One-off Distribution”) upon the maturity date of the Sukuk Musharakah or the Dissolution Date, whichever is the earlier. In the event of any shortfall between the One-off Distribution and the Expected Return for such relevant period, PLUS Berhad shall make Top-up payment to make good the difference. The Top-up payment will be set-off against the Exercise Price. Any income in excess of the Expected Return shall be retained by PLUS Berhad as an incentive fee.</p>
<p>Step 4</p>	<p>Pursuant to a purchase undertaking granted by PLUS Berhad (as “Obligor”) in favour of the Trustee (acting on behalf of the Sukukholders) (“Purchase Undertaking”), PLUS Berhad shall undertake to purchase the Sukukholders’ interest in the Musharakah Venture by entering into a sale agreement (“Sale Agreement”) and pay the Exercise Price on either the maturity date of the Sukuk Musharakah or on the Dissolution Date, whichever is the earlier. PLUS Berhad shall be entitled to set-off the Exercise Price with any Top-Up payment(s) made</p>