

An Islamic medium term notes (IMTN) programme (IMTN Programme), which together with an Islamic commercial paper ("ICP") programme ("ICP Programme"), shall have a combined aggregate nominal value of up to RM2,000.0 million and a sub-limit on the ICP Programme of RM500.0 million in nominal value, based on the Shariah principle of Murabahah (via a tawarruq arrangement) involving selected Shariah-compliant commodities (collectively, the ICP and the IMTN shall be referred to as "Sukuk Murabahah" and the ICP Programme and the IMTN Programme shall collectively be referred to as "Sukuk Programmes").

## Principal Terms and Conditions

### (A) CORPORATE INFORMATION OF ISSUER

- (1) Name : UEM Sunrise Berhad ("UEMS" or the "Issuer")
- (2) Address : Registered Address: 19-2 Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur. Business Address: Level U2, Block C5, Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur.
- (3) Date of incorporation : 20-Aug-2008
- (4) Place of incorporation : Malaysia
- (5) Business registration number : 830144-W
- (6) Residence status : Resident Controlled Company
- (7) Place and date of listing :
- | No. | Place of listing | Date of listing |
|-----|------------------|-----------------|
| 1   | Bursa Malaysia   | 18 Nov 2008     |
- (8) Principal activities : Investment Holding
- (9) Authorised, issued and paid-up share capital : **Authorised capital as at 31 March 2016:**  
RM3,517,000,000.00 divided into 7,004,000,000 ordinary shares of RM0.50 each and 1,500,000,000 redeemable convertible preference shares of RM0.01 each.

**Issued and fully paid-up capital as at 31 March 2016:**

RM2,276,643,176.03 divided into 4,537,436,037 ordinary shares of RM0.50 each and 792,515,753 redeemable convertible preference shares of RM0.01 each.

- (10) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : As at 31 March 2016

Name	No. of shares held	% of share-holding
UEM Group Berhad	2,997,491,779	66.06
Khazanah Nasional Berhad*	2,997,491,779	66.06
Lembaga Tabung Haji	307,014,400	6.77
<b>Total</b>	<b>3,304,506,179</b>	<b>72.83</b>

\*Deemed interested by virtue of being the holding company of UEM Group Berhad

- (11) Board of directors :
1. Tan Sri Dr. Ir Ahmad Tajuddin Bin Ali
  2. Dato' Mohd Izzaddin Bin Idris
  3. Anwar Syahrin Bin Abdul Ajib
  4. Sheranjiv S/O M. Sammanthan
  5. Professor Philip Sutton Cox
  6. Lim Tian Huat
  7. Dato' Srikandan A/L Kanagaintiram
  8. Ungku Suseelawati Binti Ungku Omar
  9. Subimal Sen Gupta A/L S C Sen

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### (B) PARTIES TO THE TRANSACTION

(1) Origination :

No.	Roles	Name of parties
1	Lead Arranger	Maybank IB
2	Lead Arranger	CIMB
3	Shariah Adviser	Maybank Islamic Berhad
4	Shariah Adviser	CIMB Islamic Bank Berhad
5	Credit Rating Agency	Malaysian Rating Corporation Berhad ("MARC")
6	Solicitors	Messrs Zaid Ibrahim & Co. ("ZICO")
7	Principal Adviser	Maybank Investment Bank Berhad
8	Principal Adviser	CIMB Investment Bank Berhad
9	Issuer	UEM Sunrise Berhad ("UEMS" or the "Issuer")

(2) At point of distribution :

No.	Roles	Name of parties
1	Paying Agent	BNM
2	Central Depository	Bank Negara Malaysia ("BNM")
3	Facility Agent	Maybank IB
4	Lead Manager	Such other financial institution(s) to be appointed by the Issuer prior to each issuance of the Sukuk Murabahah under the Sukuk Programmes
5	Lead Manager	CIMB
6	Issuer	UEMS
7	Lead Manager	Maybank IB

(3) After distribution :

No.	Roles	Name of parties
1	Issuer	UEMS
2	Sukuk Trustee	Malaysian Trustees Berhad
3	Facility Agent	Maybank IB

### (C) DETAILS OF FACILITY/PROGRAMME

(1) Name of facility : An Islamic medium term notes ("IMTN") programme ("IMTN Programme"), which together with an Islamic commercial paper ("ICP") programme ("ICP Programme"), shall have a combined

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(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 : An ICP Programme and an IMTN Programme with a combined aggregate nominal value of up to RM2,000.0 million and a sub-limit on the ICP Programme of RM500.0 million in nominal value, which is to be arranged by the JPA/JLA on a best effort basis under the Shariah principle of Murabahah (via Tawarruq arrangement), which is one of the Shariah principles and concepts approved by the SAC.

### Underlying Transaction

Prior to the issuance of Sukuk Murabahah, the Sukuk Trustee (on behalf of the investors of the Sukuk Murabahah "**Sukukholders**"), shall enter into an agency agreement with UEMS (the "**Issuer**") to appoint UEMS as the agent of the Sukukholders (in such capacity, the "**Purchase Agent**") to purchase and sell the Commodities. The Purchase Agent shall then appoint the Facility Agent to act as the sub-agent to purchase and sell the Commodities (in such capacity, the "**Sub-Purchase Agent**").

The Issuer (acting as the buyer ("**Buyer**")), shall also appoint the Facility Agent to act as its agent to sell the Commodities in the event the Issuer (acting as the Buyer) on-sells the Commodities to Bursa Malaysia Islamic Services Sdn Bhd or such other independent commodity broker ("**Commodity Buyer**") once it has purchased the Commodities from the Sukukholders via the Sub-Purchase Agent (in such capacity, the "**Sale Agent**").

The Issuer (acting as the Buyer), shall issue a purchase order ("**Purchase Order**") to the Purchase Agent and the Sub-Purchase Agent with an undertaking to purchase the Commodities from the Sukukholders via the Sub-Purchase Agent at the Deferred Sale Price (as defined below).

Based on the Purchase Order, the Sub-Purchase Agent (via its agent) shall purchase the Commodities on a spot basis from a commodity vendor(s) in the Bursa Suq Al-Sila' commodity market or such other independent commodity platform ("**Commodity Supplier**") at a purchase price equivalent to the Sukuk Murabahah proceeds ("**Commodity Purchase Price**"). The Commodity Purchase Price of the Commodities shall be in line with the asset pricing requirement stipulated under the LOLA Guidelines.

The Issuer, shall from time to time issue Sukuk Murabahah to the Sukukholders whereby the proceeds thereof shall be used to pay the Commodity Purchase Price. The Sukuk Murabahah shall evidence amongst other things, the Sukukholders' ownership of the Commodities and once the Commodities are sold to the Issuer (acting as the Buyer), the Sukukholders' entitlement to receive the Deferred Sale Price.

Upon acquiring the Commodities, the Sub-Purchase Agent shall, thereafter sell those Commodities to the Issuer (acting as the Buyer), for a price equivalent to the Commodity Purchase Price plus the profit margin of the relevant Sukuk Murabahah determined prior to issuance of the Sukuk Murabahah, payable on a deferred payment basis ("**Deferred Sale Price**").

Upon the purchase of the Commodities, the Issuer (acting as the Buyer), shall, via the Sale Agent,

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immediately sell the Commodities to a Commodity Buyer on a spot basis for cash, for an amount equivalent to the Commodity Purchase Price.

The Sukuk Murabahah may be issued with or without periodic distributions ("**Periodic Distributions**"). For Sukuk Murabahah with Periodic Distributions, the Issuer (acting as the Buyer) shall make Periodic Distribution on a Periodic Distribution Date, forming part of the Deferred Sale Price to the Sukukholders during the tenure of the relevant Sukuk Murabahah and the final payment on the maturity date ("**Maturity Date**") of the relevant Sukuk Murabahah.

For Sukuk Murabahah without Periodic Distributions, the Issuer (acting as the Buyer) shall only make a one-off payment of the Deferred Sale Price to the Sukukholders on the maturity date of the Sukuk Murabahah.

Upon the declaration of an event of default ("**Event of Default**"), the Issuer shall pay the Redemption Amount (as defined herein) pursuant to its obligation to pay the Deferred Sale Price for the redemption of the Sukuk Murabahah. Upon full payment of all amounts due and payable under the Sukuk Murabahah, the redeemed Sukuk Murabahah shall be cancelled.

- (5) Currency : Ringgit
- (6) Expected facility/ programme size : MYR2,000,000,000.00
- (7) Option to upsize (for programme) : Yes
- (8) Tenure of facility/ programme : 30 year(s)
- (9) Availability period for debt/ sukuk programme : The period commencing from the date the conditions precedent of the IMTN Programme are fulfilled and ending on the expiry date of the IMTN Programme provided that the first issuance of Sukuk Murabahah under the IMTN Programme shall be made within sixty (60) business days from the date of lodgement.
- (10) Clearing and settlement platform :
  - MyClear
- (11) Mode of issue :
  - Book building
  - Book running
  - Bought deal
  - Direct placement
  - Private placement
- (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
  - Other-Selling Restrictions at Issuance The Sukuk Murabahah 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 Murabahah and to whom the Sukuk Murabahah are issued would fall within Part 1 of Schedule 6 or Section 229(1)(b) and Part 1 of Schedule 7 or Section 230(1)(b) of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA. Selling Restrictions Thereafter The Sukuk Murabahah 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 Murabahah would fall within Part 1 of Schedule 6 or Section 229(1)(b) of CMSA, read together with Schedule 9 or Section 257(3) of the CMSA.
- (13) Tradability and transferability :
  - Tradable & transferable
- (14) Other regulatory approvals : Not applicable.
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<p>required in relation to the issue, offer or invitation to subscribe or purchase PDS/sukuk, and whether or not obtained</p>		
(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	:	<p>a. <b>Positive covenants</b></p> <p>(1) 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 the Issuer:</p> <p style="padding-left: 40px;">(a) to own its assets or to carry on its business, where the absence of such authorisations, consents, rights, licences, approvals and permits will have a Material Adverse Effect (as defined herein); or</p> <p style="padding-left: 40px;">(b) 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 Sukukholders under the Transaction Documents,</p> <p style="padding-left: 40px;">and the Issuer shall comply with the same;</p> <p>(2) The Issuer shall execute all such further documents and do all such further acts as the Sukuk Trustee may reasonably consider necessary or expedient at any time or times to give effect to the terms and conditions of the Transaction Documents;</p> <p>(3) 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;</p> <p>(4) The Issuer shall promptly perform and carry out all its obligations under all the Transaction Documents (including but not limited to redeeming the Sukuk Murabahah on the relevant Maturity Date(s) or any other date on which the Sukuk Murabahah are due and payable) and the Issuer shall immediately notify the Sukuk Trustee in the event that it is unable to fulfill or comply with any of the provisions of the Transaction Documents;</p> <p>(5) The Issuer shall keep proper books and accounts at all times and shall provide the Sukuk Trustee and any person appointed by the Sukuk Trustee access to such books and accounts to the extent permitted by law;</p> <p>(6) The Issuer shall prepare its financial statements on a basis consistently applied in accordance</p>

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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;

(7) The Issuer shall promptly comply with all applicable laws and regulations including the provisions of the Capital Markets and Services Act 2007, as amended or replaced from time to time ("CMSA") and/or the Sukuk Murabahah, circulars, conditions or guidelines issued by the SC from time to time as may be applicable to it, provided that no breach of this clause will arise from the Issuer's failure to comply with any such law or regulation if the failure does not have a Material Adverse Effect;

(8) The Issuer will promptly give to the Sukuk Trustee such financial or other information relating to the Issuer's business and its operations or any other information as the Sukuk Trustee may reasonably require for the performance of its duties and the exercise of its powers to the extent permitted under the law;

(9) The Issuer will instruct its auditors to disclose to the Sukuk Trustee such information relating to the Issuer as the Sukuk Trustee may reasonably require for the purpose of performing its duties and exercising its powers and the Issuer shall notify the Sukuk Trustee before any changes are made to its external auditors;

(10) The Issuer shall maintain at all times a Paying Agent in Malaysia in respect of payments in relation to the Sukuk Murabahah in accordance with the relevant laws and regulations;

(11) The Issuer shall procure that the Paying Agent shall notify the Sukuk 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 Murabahah; and

(12) Any other covenants as advised by the Legal Counsel and agreed by the Issuer.

### b. Negative covenants

To include but not be limited to the following:-

(1) 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) liens or security interest created by the operation of law; and
- (b) those arising pursuant to hire purchase facilities taken up by the Issuer, provided that the aggregate hire purchase facilities entered into by the Issuer does not at any time exceed RM5.0 million;

(2) The Issuer shall not dispose 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 the Issuer's consolidated net assets (as shown in the latest audited consolidated accounts of the Issuer) in any financial year; or
- (c) where the asset disposal is solely for the purpose of facilitating Shariah-compliant financing and is not a true sale;

(3) The Issuer shall not take steps to wind-up or dissolve itself;

(4) The Issuer shall not declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders or repay any financing/loans or advances to its shareholders or its related corporations, if:

- (a) an Event of Default has occurred, is continuing or will occur as a result of such payment or distribution; or
- (b) the requirements with respect to the Financial Covenant have not been met or will not be met after such payment or distribution;

(5) The Issuer shall not add, delete, amend or substitute its Memorandum or Articles of

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Association in a manner inconsistent with the provisions of the Transaction Documents;

(6) 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;

(7) The Issuer shall not enter into any transaction, whether directly or indirectly with interested persons (including directors, major shareholders and chief executive or persons connected with them) (collectively, "Interested Persons") unless:

(a) such transaction shall be 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;

(b) with respect to transactions involving a percentage ratio of five percent (5%) or more, as provided and computed based on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Issuer obtains certification from an independent adviser (appointed by the Issuer in consultation with the Facility Agent) that the transaction is carried out on fair and reasonable terms; and

PROVIDED THAT the Issuer certifies to the Sukuk Trustee that the transaction complies with sub-clause (7)(a), that the Issuer has received the certification referred to in subclause (7)(b) (where applicable) and that the transaction has been approved by the majority of the Issuer's Board of Directors or the Issuer's shareholders in a general meeting, as the case may require; and

(c) with respect to transactions constituting a recurrent related-party transaction ("RRPT") of a revenue or trading nature which are provided for and permitted under the Main Market Listing Requirements of Bursa Malaysia, PROVIDED THAT the Issuer certifies to the Sukuk Trustee that the transaction complies with sub-clause (7)(a), that the Issuer has obtained or renewed (where applicable), the shareholders' mandate in accordance with the listing requirements and that the Issuer furnishes at least one certificate to the Sukuk Trustee in respect of the RRPT contemplated under one shareholders' mandate;

(8) The Issuer shall not enter into any agreement with its subsidiaries or associated companies unless such agreement is entered into:

(a) in the ordinary course of its business;

(b) on an arms-length basis or on terms which are no less favourable to the Issuer than in a comparable transaction with persons who are not its subsidiaries or associated companies; and

(c) will not have a Material Adverse Effect;

(9) The Issuer shall not change the utilisation of proceeds of the Sukuk Programmes; and

(10) Any other covenants as advised by the Legal Counsel and agreed by the Issuer.

### c. **Financial covenants**

The Issuer shall maintain a Debt to Equity Ratio ("**D:E Ratio**") not exceeding 1.0 (one) time throughout the tenure of the Sukuk Programmes.

The D:E Ratio is the ratio of the indebtedness of the Issuer and its group of companies ("**UEMS Group**") represented by:

(1) the aggregate nominal value of all outstanding Sukuk Murabahah; and

(2) (i) all other indebtedness of the UEMS Group for Islamic financing and borrowed monies (be it actual or contingent) for principal only, hire purchase obligations and/or finance lease obligations, (ii) fair value of financial derivatives in connection with Islamic financing and borrowed monies recognised by the UEMS Group in its financial statements and (iii) any other contingent liabilities of the Issuer calculated in accordance with the applicable accounting standards; but excluding any financing/loans or advances from the Issuer's shareholders which are fully subordinated to the Sukuk Murabahah,

to the shareholders' funds of the UEMS Group including, if any, preference equity, fully subordinated shareholders' advances/financing/loans and retained earnings/losses. For the avoidance of doubt, any litigation and claims to which the Issuer is a party is excluded from the definition above.

The D:E Ratio shall be calculated on a yearly and half-yearly basis and as and when such

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calculations are required to be made under the terms of the Transaction Documents during the tenure of the Sukuk Programmes. In the case of D:E Ratio calculated on a yearly basis, such calculations shall be based on the latest audited consolidated financial statements of the Issuer and in the case of D:E Ratio calculated at any other times, the calculations shall be based on the latest consolidated management accounts of the Issuer. The D:E Ratio shall be calculated no later than thirty (30) days from the date the latest audited consolidated financial statements or the latest consolidated management accounts of the Issuer (whichever is applicable), is made available.

The calculations of the D:E Ratio shall be duly confirmed by:

- (a) in the case of D:E Ratio calculated based on audited consolidated financial statements, the Issuer's external auditors;
- (b) in the case of D:E Ratio calculated based on consolidated management accounts, by the authorised officers of the Issuer.

The Issuer shall arrange for the external auditor's or the Issuer's authorised officer's confirmation (as the case may be) to be forwarded to the Facility Agent for its distribution to the Sukuk Trustee and the Rating Agency. For the avoidance of doubt, any double-counting shall be disregarded.

### d. **Information covenants**

To include but not limited to the following:

(1) The Issuer shall provide to the Sukuk 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 Murabahah and that there does not exist or had not existed, from the date the Sukuk Murabahah were issued or the date of the previous certificate, as the case may be, any Event of Default 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 ("**Potential Event of Default**"), and if such is not the case, to specify the same;

(2) The Issuer shall deliver to the Sukuk 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;

(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 its authorised officers;

(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,

(3) The Issuer shall promptly notify the Sukuk Trustee in writing of any change in its directors;

(4) The Issuer shall promptly notify the Sukuk Trustee in writing of any change in circumstances which may have a Material Adverse Effect;

For the purposes of these 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 Sukuk Trustee or the Sukukholders thereunder;

(5) The Issuer shall promptly notify the Sukuk Trustee in writing 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;



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(6) The Issuer shall promptly give notice to the Sukuk Trustee in writing of the occurrence of any Event of Default or any 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 Sukuk Trustee to remedy and/or mitigate the effect of the Event of Default or the Potential Event of Default; and

(7) Any other covenants as advised by the Legal Counsel and agreed by the Issuer.

(22) Details of designated account(s) : No designated account

(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 2,000,000,000.00

(24) Conditions precedent

: To include but not limited to the following (all be in form and substance acceptable to the JLA):  
Conditions precedent to setting up the Sukuk Programmes and the first issuance of the Sukuk Murabahah under the Sukuk Programmes:

### **A. Main Documentation**

(1) the Transaction Documents (as defined herein) have been executed, stamped and presented for registration or endorsed as exempted from stamp duty (where applicable).

### **B. The Issuer**

Receipt from the Issuer of:

- (1) Certified true copies of the Certificate of Incorporation and the Memorandum and Articles of Association of the Issuer;
- (2) Certified true copies of the latest Forms 24, 44 and 49 of the Issuer;
- (3) A certified true copy of board resolutions of the Issuer authorising, among others, the execution of the Transaction Documents;
- (4) A list of the Issuer's authorised signatories and their respective specimen signatures;
- (5) A report of the relevant company search of the Issuer; and
- (6) A report of the relevant winding-up search or the relevant statutory declaration from the Issuer.

### **C. General**

- (1) Evidence that all relevant approvals and acknowledgements including the acknowledgement in respect of the lodgement of the Sukuk Programmes to the SC, have been obtained;
- (2) The IMTN Programme has been accorded a rating of AA-/S by the Rating Agency;
- (3) Evidence that all transaction fees, costs and expenses will be paid in full;
- (4) The JPA/JLA have received from their Legal Counsel a legal opinion addressed to them and the Sukuk Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to the JPA/JLA that all the conditions precedent have been fulfilled;
- (5) Evidence of confirmation from the Joint Shariah Advisers that the structure and the mechanism of the Sukuk Programmes and the Transaction Documents are in compliance with Shariah; and

An Islamic medium term note ("IMTN") programme ("IMTN Programme"), which together with an Islamic commercial paper ("ICP") programme ("ICP Programme"), shall have a combined aggregate nominal value of up to RM2,000.0 million and a sub-limit on the ICP Programme of RM500.0 million in nominal value, based on the Shariah principle of Murabahah (via a tawarruq arrangement) involving selected Shariah-compliant commodities (collectively, the ICP and the IMTN shall be referred to as "Sukuk Murabahah" and the ICP Programme and the IMTN Programme shall collectively be referred to as "Sukuk Programmes").

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(6) Such other conditions precedent as advised by the Legal Counsel and agreed by the Issuer.

- (25) Representations and warranties : The representations and warranties of the Issuer shall include but are not limited to the following:
- (1) it is a company duly established and existing under Malaysian laws;
  - (2) it has the power to enter into, exercise its rights under and perform its obligations under the Transaction Documents;
  - (3) 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;
  - (4) 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;
  - (5) 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;
  - (6) 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;
  - (7) 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);
  - (8) 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;
  - (9) the Sukuk Murabahah constitute direct, unconditional and unsecured 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 subject to the provisions of the Transaction Documents and those preferred by law;
  - (10) 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;
  - (11) the information furnished by it in connection with the Sukuk Programmes and the Transaction Documents does 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;
  - (12) no Event of Default or Potential Event of Default has occurred and is continuing; and
  - (13) any other representations and warranties as advised by the Legal Counsel and agreed by the Issuer.
- (26) Events of defaults or enforcement events, where applicable, including recourse available to investors : Customary events of default which shall include but are not limited to the following:
- (1) the Issuer fails to pay any amount due from it under the Sukuk Murabahah and/or any of the Transaction Documents relating to the Sukuk Programmes on the due date or, if so payable, on demand;
  - (2) 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 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, and in the case of a failure which in the opinion of the Sukuk 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 Sukuk Trustee of the failure;
  - (3) 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

An Islamic medium term note (IMTN) programme ( "IMTN Programme" ), which together with an Islamic commercial paper ("ICP") programme ("ICP Programme"), shall have a combined aggregate nominal value of up to RM2,000.0 million and a sub-limit on the ICP Programme of RM500.0 million in nominal value, based on the Shariah principle of Murabahah (via a tawarruq arrangement) involving selected Shariah-compliant commodities (collectively, the ICP and the IMTN shall be referred to as "Sukuk Murabahah" and the ICP Programme and the IMTN Programme shall collectively be referred to as "Sukuk Programmes").

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therewith, in each case which may have a Material Adverse Effect on the Issuer other than an obligation of the type referred to in paragraph (1) above, and in the case of a failure which in the opinion of the Sukuk 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 Sukuk Trustee of the failure;

(4) there has been a breach by the Issuer of any obligation under any of the Issuer's existing contractual obligations which may have a Material Adverse Effect on the Issuer and, if in the opinion of the Sukuk 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 by the Sukuk Trustee of the breach;

(5) any indebtedness for Islamic financing and/or borrowed monies of the Issuer becomes due or payable or capable of being declared due or payable, prior to its stated maturity or any guarantee or similar obligations of the Issuer is not discharged at maturity or when called or the Issuer goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, guarantee or other obligations, and as a result of any of the foregoing, such indebtedness becomes due and payable prior to its stated maturity and such declaration of indebtedness being due or payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by the Issuer in a court of competent jurisdiction within thirty (30) days from the date of such declaration or call or any security created to secure such indebtedness becomes enforceable and such enforcement is not discharged or disputed in good faith by the Issuer in a court of competent jurisdiction within thirty (30) days from the date the Issuer is notified of such enforcement;

(6) an encumbrancer takes possession of, or a trustee, receiver, receiver and manager or similar officer is appointed in respect of any part of the business or assets of the Issuer or the whole or substantial 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, or any security interest which may for the time being affect any part of the business or assets of the Issuer or the whole or a substantial part of the Issuer's assets becomes enforceable.

For the purpose of this paragraph (6), references to "**substantial**" shall mean such value equivalent to or more than 5% of the Issuer's consolidated net assets as reflected in its latest annual audited consolidated financial statements;

(7) the Issuer fails to satisfy any judgement passed against it by any court of competent jurisdiction and:

(a) no appeal against such judgement or an application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law; or

(b) in the event that an appeal as described in (a) above has been made, such appeal has been dismissed; or

(c) in the event that an application for a stay of execution as described in (a) above has been made, such application for a stay of execution has been dismissed and such dismissal has not been appealed against within the time prescribed by the relevant laws or rules;

(8) (a) any step is taken for the winding-up, dissolution or liquidation of the Issuer and such steps for the winding-up, dissolution or liquidation is not challenged in good faith within fourteen (14) days, or (b) a resolution is passed for the winding-up of the Issuer, or (c) 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 (d) a winding-up order has been made against the Issuer and such order is not struck out or discharged within thirty (30) days;

(9) 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 Sukuk 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;

An Islamic medium term notes (IMTN) programme (IMTN Programme), which together with an Islamic commercial paper ("ICP") programme ("ICP Programme"), shall have a combined aggregate nominal value of up to RM2,000.0 million and a sub-limit on the ICP Programme of RM500.0 million in nominal value, based on the Shariah principle of Murabahah (via a tawarruq arrangement) involving selected Shariah-compliant commodities (collectively, the ICP and the IMTN shall be referred to as "Sukuk Murabahah" and the ICP Programme and the IMTN Programme shall collectively be referred to as "Sukuk Programmes").

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(10) where there is a revocation, withholding, invalidation or modification of any license, authorisation, approval or consent of the Issuer which in the opinion of the Sukuk Trustee may have a Material Adverse Effect on the Issuer;

(11) the Issuer is 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 suspends or threatens 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;

(12) any creditor of the Issuer exercises a contractual right to take over the financial management of the Issuer and such event in the opinion of the Sukuk Trustee has or may have a Material Adverse Effect on the Issuer;

(13) 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 in the opinion of the Sukuk Trustee may have a Material Adverse Effect on the Issuer;

(14) at any time any of the material provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable;

(15) 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;

(16) any of the assets, undertakings, rights or revenue of the Issuer are seized, expropriated or compulsorily acquired by or under the authority of any governmental body which in the opinion of the Sukuk Trustee may have a Material Adverse Effect on the Issuer;

(17) the Issuer fails to maintain the Financial Covenant (as defined above);

(18) any event or events has or have occurred or a situation exists which gives reasonable grounds for the Sukuk Trustee to believe that such event will 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 Sukuk 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 Sukuk Trustee of the event or situation; or

(19) any other events of default as advised by the Legal Counsel and agreed by the Issuer.

Upon the occurrence of an Event of Default, the Sukuk Trustee may or shall (if directed to do so by a special resolution of the Sukukholders) declare that the Sukuk Murabahah are immediately due and payable in accordance with the terms of the relevant Transaction Documents. Thereafter, the Sukuk Trustee may take proceedings against the Issuer, as it may think fit, to enforce the immediate payment of the Sukuk Murabahah (including the Redemption Amount (as defined herein)) in accordance with the terms of the relevant Transaction Documents.

(27) Governing laws : Laws of Malaysia

(28) Provisions on buy-back : No provision on buy-back

(29) Provisions on early redemption : No provision on early redemption

(30) Voting : Voting by the Sukukholders under the Sukuk Programmes shall be carried out as follows:

### **Prior to upsizing of the Sukuk Programmes:**

All matters (save in relation to the upsizing of the Sukuk Programmes) which require the Sukukholders' consent under the Sukuk Programmes shall be carried out on a collective basis; and

### **Post upsizing of the Sukuk Programmes:**

An Islamic medium term notes (IMTN) programme (IMTN Programme), which together with an Islamic commercial paper ("ICP") programme ("ICP Programme"), shall have a combined aggregate nominal value of up to RM2,000.0 million and a sub-limit on the ICP Programme of RM500.0 million in nominal value, based on the Shariah principle of Murabahah (via a tawarruq arrangement) involving selected Shariah-compliant commodities (collectively, the ICP and the IMTN shall be referred to as "Sukuk Murabahah" and the ICP Programme and the IMTN Programme shall collectively be referred to as "Sukuk Programmes").

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All matters which require the Sukukholders' consent under the Sukuk Programmes shall be carried out on a per series basis. Sukukholders holding a requisite amount under each series (to be determined under the Trust Deed) shall provide their consent for the relevant matters to be passed under the Sukuk Programmes and the consent from Sukukholders of all outstanding series shall have been obtained for any such resolution to be carried.

"series" shall mean, in relation to any ICPs/IMTNs, such ICPs/IMTNs with the same issue date.

- (31) Permitted investments : No permitted investments
- (32) Ta'widh (for sukuk) : In the event of any delay in any payments of the Deferred Sale Price under the Sukuk Murabahah, the Issuer (acting as the Buyer) shall pay to the Sukukholders Ta'widh (compensation) on such delay in payment at the rate and manner prescribed by the SAC from time to time.
- (33) Ibra' (for sukuk) : Ibra' refers to an act of releasing absolutely or conditionally one's rights and claims on any obligation against another party which would result in the latter being discharged of his/its obligations or liabilities towards the former. The release may be either partially or in full.
- The Sukukholders in subscribing or purchasing the Sukuk Murabahah, agree to grant Ibra' on the Deferred Sale Price, upon the occurrence of any of the following events:
- (1) if the Sukuk Murabahah is redeemed before the Maturity Date (if applicable); or
- (2) the declaration of an Event of Default.
- The Ibra' for redemption before the Maturity Date (if applicable) shall be mutually agreed to prior to such early redemption.
- The Ibra' for redemption upon declaration of an Event of Default shall be calculated as follows:
- (i) **in the case of Sukuk Murabahah with periodic distributions and issued at a discount**,  
the unearned Periodic Distribution Amount;
- (ii) **in the case of Sukuk Murabahah without periodic distributions and issued at a discount**,  
the unearned discounted amount;
- (iii) **in the case of Sukuk Murabahah with periodic distributions and issued at par**,  
the unearned Periodic Distribution Amount; and
- (iv) **in the case of Sukuk Murabahah with periodic distributions issued at a premium**,  
the unearned Periodic Distribution Amount.
- The Ibra' in relation to (i), (ii) (iii) and (iv) above shall be calculated from the date of the declaration of an Event of Default up to the Sukuk Murabahah's respective maturity date(s).
- The Issuer (acting as the Buyer) shall pay the Redemption Amount on the date of the declaration of an Event of Default as determined by the Facility Agent pursuant to its obligation to pay the Deferred Sale Price.
- For the purpose of this term sheet, "**Redemption Amount**" is the amount equivalent to the Deferred Sale Price determined at the issue date less the aggregate of Periodic Distribution Amount and nominal value paid (if any) prior to the declaration of an Event of Default less the Ibra' (if any).
- (34) Kafalah (for sukuk) : Not applicable.