

## **AEON CREDIT SERVICE (M) BERHAD**

A Sukuk Wakalah Programme of RM2.0 Billion in Nominal Value For The Issuance of Senior Sukuk Wakalah and/or Subordinated Sukuk Wakalah

### **Other terms and conditions**

(a) Utilisation of proceeds : Proceeds from the issuance of the Sukuk Wakalah shall be made available to the Issuer for financing disbursements to customers in the ordinary course of business of providing consumer financing based on Shariah principles, and refinancing of any existing loans/financing of the Issuer or any sukuk issued by the Issuer. In all cases, all utilisation of proceeds under the Sukuk Wakalah shall be Shariah-compliant.

(b) Status : **Senior Sukuk Wakalah**  
The Senior Sukuk Wakalah will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking pari passu without any preference among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, except those preferred by law. For the avoidance of doubt, the Senior Sukuk Wakalah shall amongst others, rank ahead of any bilateral financing or loans from the Issuer's shareholders, subsidiaries or associated companies.

#### **Subordinated Sukuk Wakalah**

The Subordinated Sukuk Wakalah will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer. The Subordinated Sukuk Wakalah will, in the event of a winding up or liquidation of the Issuer, be subordinated in right of payment to all other liabilities of the Issuer, except in each case to those liabilities which by their terms explicitly rank equally in right of payment with or are subordinated to the Subordinated Sukuk Wakalah.

(c) Tenure of the Sukuk Wakalah : **Senior Sukuk Wakalah**  
The Senior Sukuk Wakalah shall have a tenure of more than one (1) year, as may be determined by the Issuer prior to each issuance.

#### **Subordinated Sukuk Wakalah**

The Subordinated Sukuk Wakalah shall have a tenure of not less than five (5) years, as may be determined by the Issuer prior to each issuance.

(d) Form and denomination : **Form**

The Sukuk Wakalah shall be issued in accordance with the:

- (1) Operational Procedures for Securities Services and Operational Procedures for Ringgit Settlement in the Real Time Electronic Transfer of Funds and Securities System issued by PayNet or its successor-in-title or successor in such capacity ("**PayNet Procedures**"); and
- (2) Participation and Operation Rules for Payment and Securities Services issued by PayNet or its successor-in-title or successor in such capacity ("**PayNet Rules**").

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PayNet Procedures and PayNet Rules are collectively referred to as “**PayNet Rules and Procedures**” as amended and/or substituted from time to time.

Each Sukuk Wakalah shall be represented by a global certificate (exchangeable for definitive certificates on the occurrence of certain limited events). The global certificate shall be deposited with BNM and shall be in bearer form.

### **Denomination**

The denomination of the Sukuk Wakalah shall be RM1,000.00 or in multiples of RM1,000.00 thereof or such other denominations to be mutually agreed by the Issuer and the Joint Lead Managers as may be allowed under the PayNet Rules and Procedures at the time of issuance.

### **Reopening**

The Issuer may, from time to time, without the consent of the Sukukholders, increase the size of an existing Tranche of Sukuk Wakalah by offering for subscription, additional Sukuk Wakalah (“**Reopened Sukuk Wakalah**”) under that Tranche (hereinafter referred to as “**Reopening**”). The Reopened Sukuk Wakalah shall have the same terms and conditions as that particular Tranche of Sukuk Wakalah in all respects (except for the issue date, the issue price and the first Periodic Distribution Date, if applicable) and shall form a single Tranche with that particular Tranche of Sukuk Wakalah. For the avoidance of doubt, Reopening will still be subject to the programme limit of the Sukuk Wakalah Programme.

All references to (i) “**Sukuk Wakalah**” shall upon a Reopening be deemed to include the Reopened Sukuk Wakalah and (ii) “**Sukukholders**” shall upon a Reopening be deemed to include the Sukukholders of the Reopened Sukuk Wakalah.

For purposes of voting, the Sukukholders of the Reopened Sukuk Wakalah shall have the same voting rights as the Sukukholders of the Tranche of Sukuk Wakalah under which the relevant Reopened Sukuk Wakalah is issued.

In relation to the Reopened Sukuk Wakalah, the Investment Wakeel shall execute new and separate contract(s) with the relevant parties to reflect, amongst others, the (i) additional proceeds raised pursuant to the issuance of the Reopened Sukuk Wakalah, (ii) additional Wakalah Investment required for the Reopened Sukuk Wakalah, and (iii) increased obligation of the Issuer pursuant to the increase in the outstanding nominal value of the relevant Reopened Sukuk Wakalah.

- (e) Profit / coupon / rental rate (fixed or floating) : The periodic distribution rate (which may be on a fixed or a floating basis) shall be determined prior to each issuance of the Sukuk Wakalah.

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In relation to the Sukuk Wakalah where the floating rate is applicable, the periodic distribution shall be calculated on a one time ceiling rate ("**Ceiling Rate**"). Notwithstanding the Ceiling Rate, the Issuer shall pay periodic distribution calculated at the actual floating rate ("**Effective Rate**") determined for each period for which such periodic distribution is to be paid. For the avoidance of doubt, the Effective Rate shall not in any event exceed the Ceiling Rate.

Not applicable for Sukuk Wakalah issued without Periodic Distributions.

- (f) Profit / coupon / rental payment frequency : For Sukuk Wakalah issued with Periodic Distributions, the frequency of Periodic Distributions shall be on a quarterly or semi-annual basis, or such other payment frequency to be determined prior to each issuance of the Sukuk Wakalah (each a "**Periodic Distribution Date**").

Not applicable for Sukuk Wakalah issued without Periodic Distributions.

- (g) Profit / coupon / rental payment basis : For Sukuk Wakalah issued with Periodic Distributions, the Periodic Distribution basis shall be on an actual/365 days basis.

Not applicable for Sukuk Wakalah issued without Periodic Distributions.

- (h) Yield to Maturity : To be determined prior to each issuance of the Sukuk Wakalah.

- (i) Issue Price : The Sukuk Wakalah shall be issued at par, at a premium or at a discount to the nominal value (to be determined prior to each issuance) and the issue price shall be calculated in accordance with the PayNet Rules and Procedures.

The issue price of each Reopened Sukuk Wakalah shall take into consideration, where applicable, accrued Periodic Distributions from and including the original issue date or the last Periodic Distribution Date whichever is later of the Tranche of Sukuk Wakalah to which such Reopened Sukuk Wakalah relate, to and excluding the date of the Reopening, except when the date of the Reopening falls on a Periodic Distribution Date.

- (j) 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, unless such withholding or deduction is required by law. The Issuer shall not be required to gross up in connection with such withholding or deductions.

- (k) Transaction documents : The Transaction Documents shall include the following:

- (i) the Programme Agreement;
- (ii) each Trust Deed;

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- (iii) the Securities Lodgement Form;
- (iv) each Subscription Agreement;
- (v) the Islamic agreements in relation to the Sukuk Wakalah Programme; and
- (vi) all other documents relating to the Sukuk Wakalah as advised by the Solicitors.

(l) Option to upsize : The Issuer shall have the option to upsize the Sukuk Wakalah Programme, provided that (a) there is no adverse impact on the credit rating of the Sukuk Wakalah Programme; and (b) the relevant regulatory approvals (including the approval from BNM) have been obtained, if required. For the avoidance of doubt, no consent from the Sukukholders of the outstanding Sukuk Wakalah is required for the purposes of the upsizing.

(m) Identified asset/ Trust asset : The Trust Assets shall comprise (i) the Sukuk Proceeds, (ii) the relevant Wakalah Investments and (iii) the rights, title, interest, entitlement and benefit in, to and under the Transaction Documents.

The relevant Wakalah Investments comprise the Shariah-compliant Business and the Commodity Murabahah Investment.

The Sukukholders' interest in the Shariah-compliant Business shall be expressed in the percentage terms and the exact percentage of the Sukukholders' interest in the Shariah-compliant Business will be subject to the valuation principles set out in the Wakalah Agreement.

(n) Purchase and selling price/ rental, where applicable – compliance with asset pricing requirements : In respect of the Commodity Murabahah Investment, the Commodity Purchase Price shall be at a purchase price equivalent to the remaining balance of the Sukuk Proceeds (after investment into the Shariah-compliant Business) and shall be in line with the asset pricing requirements stipulated under the LOLA Guidelines.

The Deferred Sale Price shall be equal to the sum of 100% of the nominal value of the relevant Sukuk Wakalah and the aggregate Expected Periodic Distribution Amount (if any).