

MALAYSIA DEBT VENTURES BERHAD
ISLAMIC MEDIUM TERM NOTES PROGRAMME OF UP TO RINGGIT MALAYSIA
TWO BILLION (RM2,000,000,000.00) IN NOMINAL VALUE

Other terms and conditions

(1) **Utilisation of proceeds** : The Sukuk Proceeds shall be utilised by the Issuer for the following purposes:

- (1) provision of Shariah-compliant financing to companies within its mandated sectors and/or to refinance or redeem the Issuer's existing conventional loans/Islamic financing and/or future Islamic financing; and
- (2) to defray fees and expenses in connection with the Sukuk Wakalah Programmes.

For the avoidance of doubt, the utilisation of the Sukuk Proceeds shall at all times be for Shariah-compliant purposes.

(2) **Identified asset or Trust asset** : **Identified Asset**

The identified asset is the Wakalah Portfolio comprising:

- (1) the Shariah-compliant Business; and
- (2) the Commodities.

The “**Commodities**” to be transacted under the Commodity Murabahah Investment shall be the Shariah-compliant commodities which include but not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are provided through the commodity trading platform, Bursa Suq Al-Sila', or such other independent commodity trading platforms acceptable to the Shariah Adviser which will be identified at or around the time of each issuance of the Sukuk Wakalah.

Trust Assets

The Trust Assets shall comprise:

- (1) the Sukuk Proceeds;
- (2) the Wakalah Portfolio; and
- (3) the rights, title, interests, entitlement and benefit of the Sukukholders in, to and under the Transaction Documents.

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(3) Tenure (Programme and/or Issue) : Tenure of the IMTN Programme

The tenure of the IMTN Programme shall be twenty five (25) years from the date of first issuance of the IMTN under the IMTN Programme.

Tenure of each IMTN

The tenure of each tranche of the IMTN shall be at least one (1) year and up to twenty five (25) years from the date of issuance, as the Issuer may select, provided always that the maturity of each tranche of the IMTN shall not exceed the tenure of the IMTN Programme.

(4) Purchase and selling price or rental, where applicable – compliance with asset pricing requirements : Commodity Purchase Price

In relation to the Commodity Murabahah Investment, the Commodity Purchase Price shall be determined based on the remaining Sukuk Proceeds after investment into the Shariah-compliant Business. The Commodity Purchase Price shall comply with the asset pricing requirements stipulated under the LOLA Guidelines.

Deferred Sale Price

In relation to the Commodity Murabahah Investment, the Deferred Sale Price is a price equivalent to the Commodity Purchase Price plus the profit margin payable on a deferred payment basis. For the avoidance of doubt, the Deferred Sale Price shall be equal to the aggregate of the Expected Periodic Distribution Amount, if any, and the nominal value of the Sukuk Wakalah.

The Commodity Purchase Price and the Deferred Sale Price shall be determined prior to each issuance of the Sukuk Wakalah under the Sukuk Wakalah Programmes.

(5) Expected Periodic Distribution Amount : The expected periodic distribution amount payable on the Periodic Distribution Date, calculated based on the Periodic Distribution Rate (as defined herein) on the nominal value of such Sukuk Wakalah on the Periodic Distribution Basis (as defined herein).

“Periodic Distribution Date” means the last day of each Periodic Distribution Period (as defined herein).

This section is not applicable for the Sukuk Wakalah without periodic distributions.

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- (6) **Profit/ coupon/ rental rate (fixed or floating)** : The Sukuk Wakalah may be issued with or without periodic distributions.

For the Sukuk Wakalah with periodic distributions, the expected profit rate for such Sukuk Wakalah ("**Periodic Distribution Rate**") shall be on a fixed rate basis and shall be determined prior to the issuance of such Sukuk Wakalah.

This section is not applicable for the Sukuk Wakalah without periodic distributions.

- (7) **Profit/ coupon/ rental payment frequency** : Payable on a semi-annual basis (or such other period of frequency to be agreed between the Issuer, the Lead Manager and/or the relevant qualified investor(s) prior to each issuance of the Sukuk Wakalah) in arrears ("**Periodic Distribution Period**").

This section is not applicable for the Sukuk Wakalah without periodic distributions.

- (8) **Profit/ coupon/ rental payment basis** : The Expected Periodic Distribution Amount shall be calculated on the basis of the actual number of days over three hundred and sixty five (365) days in the relevant Periodic Distribution Period ("**Periodic Distribution Basis**").

This section is not applicable for the Sukuk Wakalah without periodic distributions.

- (9) **Expected yield to maturity** : To be determined prior to each issuance of the Sukuk Wakalah under the Sukuk Wakalah Programmes.

- (10) **Form and denomination** : Form:

The Sukuk Wakalah shall be issued in accordance with the:

- (1) Operational Procedures for Securities Services and Operational Procedures for Malaysian Ringgit Settlement in the Real Time Electronic Transfer of Funds and Securities System both issued by BNM (as may be amended and/or substituted from time to time) ("**BNM Procedures**"); and
- (2) Participation Rules for Payments and Securities Services issued by BNM (as may be amended and/or substituted from time to time) ("**BNM Rules**") (BNM Procedures and BNM Rules are

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collectively referred to as “**BNM Procedures and Rules**”).

The 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 Ringgit Malaysia One Thousand (RM1,000.00) or in multiples of Ringgit Malaysia One Thousand (RM1,000.00) at the time of issuance.

- (11) **Issue price** : The Sukuk Wakalah shall be issued at par, discount or premium to nominal value. The issue price shall be calculated in accordance with the BNM Procedures and Rules.
- (12) **Issue** : The Sukuk Wakalah may be issued subject to the BNM Procedures and Rules and other standard conditions including, without limitation, the following:
- (1) a minimum issue size of Ringgit Malaysia One Million (RM1,000,000.00) for each issue; and
 - (2) the issue notice shall be given to the Facility Agent and the Lead Arranger at least eight (8) business days (for the first Sukuk Wakalah issue) and six (6) business days (for subsequent Sukuk Wakalah issues) prior to and excluding the date of proposed issue.
- (13) **Option to upsize** : The Issuer shall have the option to upsize the IMTN Programme (which would result in the upsizing of the combined limit of the Sukuk Wakalah Programmes, the Corporate Bonds Programmes and the STRC Facilities) at any time and from time to time provided that the following conditions have been fulfilled:
- (1) the relevant regulatory approvals (if applicable) and the necessary corporate authorisation and other consents have been obtained by the Issuer;
 - (2) the Credit Rating Agency has confirmed that there is no adverse impact on the prevailing credit rating of the IMTN Programme following such upsizing;

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- (3) the Issuer has complied with the relevant requirements under the LOLA Guidelines in relation to the upsizing of the IMTN Programme;
- (4) the execution of the relevant documentation to evidence the upsizing of the IMTN Programme;
- (5) the execution of the relevant documentation for the Sukuk Wakalah Programmes, the Corporate Bonds Programmes and the STRC Facilities to evidence the upsizing of the combined limit; and
- (6) such other terms and/or conditions as may be required by the Lead Arranger and/or advised by the Solicitors.

The Sukukholders shall be deemed to have consented to:

- (1) any upsizing of the IMTN Programme (which would result in the upsizing of the combined limit of the Sukuk Wakalah Programmes, the Corporate Bonds Programmes and the STRC Facilities) by the Issuer from time to time; and
- (2) any upsizing of the ICP Programme, the MTN Programme and/or the CP Programme (which would result in the upsizing of the combined limit of the Sukuk Wakalah Programmes, the Corporate Bonds Programmes and the STRC Facilities) by the Issuer from time to time, and

no further consent is required from the Sukukholders, the Sukuk Trustee or any other party(ies) under the IMTN Programme.

- (14) **Listing status** : The Sukuk Wakalah will not be listed on Bursa Malaysia Securities Berhad or any other stock exchanges.
- (15) **IMTN Trustee's Reimbursement Account** **Sukuk** : The Issuer shall open or procure the Sukuk Trustee to open and maintain the Shariah-compliant IMTN Sukuk Trustee's Reimbursement Account (as required under the Guidelines on Trust Deeds) in which a sum of Ringgit Malaysia One Hundred Thousand (RM100,000.00) is to be deposited. The IMTN Sukuk Trustee's Reimbursement Account shall be operated by the Sukuk Trustee and the monies shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of a Dissolution Event which are provided in the Trust Deed. The sum of Ringgit Malaysia One Hundred Thousand

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(RM100,000.00) in the IMTN Sukuk Trustee's Reimbursement Account shall be maintained by the Issuer at all times throughout the tenure of the IMTN Programme.

The monies in the IMTN Sukuk Trustee's Reimbursement Account may be invested in Islamic deposits or Islamic based accounts, instruments or securities in the manner prescribed in the Trust Deed, with any income from such investment to be accrued to the Issuer. Any unutilised money in the Trustees' Reimbursement Account shall be returned to the Issuer upon the expiry of the tenure of the IMTN Programme and the full redemption of the IMTN provided always that no Dissolution Event has occurred or is continuing and there are no other amounts due under the Transaction Documents.

- (16) **Status** : All payment obligations of the Issuer pursuant to the relevant Transaction Documents shall constitute direct, unconditional, unsecured and unsubordinated 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.
- (17) **Transaction Documents** : Transaction Documents shall include, amongst others, the following:
- (1) the programme agreement;
 - (2) the trust deed;
 - (3) the securities lodgement form;
 - (4) the subscription agreement(s);
 - (5) the relevant Islamic transaction documents; and
 - (6) such other agreements as may be advised by the Solicitors as may be necessary to the Sukuk Wakalah Programmes and/or mutually agreed between the Issuer, the Principal Adviser and the Lead Arranger,

and reference to the "**Transaction Documents**" shall mean any one or more of them.

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- (18) **STRC Facilities** : “**STRC Facilities**” means collectively:
- (1) the short term revolving credit facility of up to Ringgit Malaysia Fifty Million (RM50,000,000.00) granted or to be granted by Malayan Banking Berhad; and
 - (2) the Islamic short term revolving credit facility of up to Ringgit Malaysia Fifty Million (RM50,000,000.00) granted or to be granted by Maybank Islamic Berhad.
- (19) **Taxation** : All payments by the Issuer shall be made in full 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 authority thereof or therein having power to tax, unless such withholding or deduction is required by law (in which event the Issuer shall be required to make such additional amount so that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made).
- (20) **Other Expenses** : All costs, charges and expenses including legal and other professional fees, stamp duties (if any), penalties and BNM fees, and other incidental costs, charges and expenses payable under the Transaction Documents shall be borne by the Issuer, even if the Sukuk Wakalah Programmes is subsequently aborted for any reason whatsoever.
- (21) **Jurisdiction** : The Issuer shall unconditionally and irrevocably submit to the exclusive jurisdiction of the courts of Malaysia.
- (22) **Other Conditions** : The Sukuk Wakalah shall at all times be governed by the guidelines issued and to be issued from time to time by the SC and BNM or their successors in title having jurisdiction over matters pertaining to the Sukuk Wakalah.