

PNB Merdeka Ventures Sdn. Berhad (PNBMV)

Unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka ASEAN Green SRI Sukuk) pursuant to a Sukuk programme of up to Ringgit Malaysia Two Billion (RM2,000,000,000.00) in nominal value (Merdeka ASEAN Green SRI Sukuk Programme). The Issuer also proposes to issue unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka Sukuk Murabahah) pursuant to a Sukuk programme of up to Ringgit Malaysia Three Billion Six Hundred Fifty Million (RM3,650,000,000.00) in nominal value (Merdeka Sukuk Murabahah Programme).

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : PNB Merdeka Ventures Sdn. Berhad ("PNBMV")
- (2) Address : Registered Office:
Tingkat 4, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan

Business Office:
19th Floor, Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan
- (3) Date of incorporation: 24 June 2000
- (4) Place of incorporation : Malaysia
- (5) Business/Company : 517991-A
Registration Number
(Old)
- (6) Business/Company : 200001015384
Registration Number
(New)
- (7) Residence status : Resident Controlled Company
- (8) Place of listing : Not Listed
- (9) Date of listing : Not Listed
- (10) Principal activities : The principal activities of the Issuer are those of management and development of freehold land located at lot numbers 795, 796, 797, 799, 800, 802 and 803, Section

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Principal Terms and Conditions

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(11) Issued and paid-up : Issued and paid-up share capital as at 15 October 2017:
share capital RM310,000,002.00 comprising 62,000,002 ordinary shares.

(12) Structure of : The name of shareholder and structure of shareholding of the Issuer as at 15
shareholdings and names of October 2017 are as follows:

Name of Shareholder	No of shares held	% of Shareholding
Permodalan Nasional Berhad	62,000,002	100

(13) Board of directors :

No.	Name
1	Tan Sri Abdul Wahid bin Omar
2	Dato' Johan bin Ariffin
3	Dato' Abdul Rahman bin Ahmad
4	Datuk Ir. Hamzah bin Hassan
5	Dato' Noorizah binti Haji Abdul Hamid
6	Dato' Khor Chap Jen
7	Dato' Mohd. Nizam bin Zainordin

(14) Disclosure of the :
following

(i) If the issuer or : None.
its board
members have
been convicted

Unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka ASEAN Green SRI Sukuk) pursuant to a Sukuk programme of up to Ringgit Malaysia Two Billion (RM2,000,000,000.00) in nominal value (Merdeka ASEAN Green SRI Sukuk Programme). The Issuer also proposes to issue unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka Sukuk Murabahah) pursuant to a Sukuk programme of up to Ringgit Malaysia Three Billion Six Hundred Fifty Million (RM3,650,000,000.00) in nominal value (Merdeka Sukuk Murabahah Programme).

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or charged with
any offence
under any
securities laws,
corporation
laws or other
laws involving
fraud or
dishonesty in a
court of law, or
if any action
has been
initiated against
the issuer or its
board members
for breaches of
the same, for
the past ten
years prior to
the lodgement/
since
incorporation
(for issuer
incorporated
less than ten
years)

- (ii) If the issuer has: Not applicable.
been subjected
to any action by
the stock
exchange for
any breach of
the listing
requirements or
rules issued by
the stock
exchange, for
the past five
years prior to
the lodgement

(B) CORPORATE INFORMATION OF GUARANTOR

PNB Merdeka Ventures Sdn. Berhad (PNBMV)

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- (1) Name : Permodalan Nasional Berhad ("PNB")
- (2) Address : Registered Office:
Tingkat 4, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan

Business Office:
Tingkat 4, Balai PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan
- (3) Date of incorporation: 17 March 1978
- (4) Place of incorporation : Malaysia
- (5) Business/Company : 38218-X
Registration Number
(Old)
- (6) Business/Company : 197801001190
Registration Number
(New)
- (7) Residence status : Resident Controlled Company
- (8) Place of listing : Not Listed
- (9) Date of listing : Not Listed
- (10) Principal activities : Principally involved in the acquisition and holding of shares to promote greater ownership of share capital in the corporate sector in Malaysia by Bumiputeras.
- (11) Issued and paid-up : Issued and paid-up share capital as at 15 October 2017:
share capital RM100,000,000.00 comprising 100,000,000 ordinary shares

Unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka ASEAN Green SRI Sukuk) pursuant to a Sukuk programme of up to Ringgit Malaysia Two Billion (RM2,000,000,000.00) in nominal value (Merdeka ASEAN Green SRI Sukuk Programme). The Issuer also proposes to issue unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka Sukuk Murabahah) pursuant to a Sukuk programme of up to Ringgit Malaysia Three Billion Six Hundred Fifty Million (RM3,650,000,000.00) in nominal value (Merdeka Sukuk Murabahah Programme).

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- (12) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : The name of shareholder and structure of shareholding of the Guarantor as at 15 October 2017 are as follows:

Name of Shareholders	No of shares held	% of shareholding
Minister of Finance, Incorporated	1	0.00000001
Yayasan Pelaburan Bumiputra	99,999,999	99.999999

- (13) Board of directors :

No.	Name
1	Tan Sri Dr. Wan Abdul Aziz bin Wan Abdullah
2	Tan Sri Zarinah Sameehah binti Anwar
3	Dato' Dr Awang Adek bin Hussin
4	Tan Sri Dr. Ali bin Hamsa
5	Datuk Dr. Mohd Yaakub bin Haji Johari
6	Tuan Haji Soedirman bin Aini
7	Tan Sri Dr. Mohd Irwan Serigar bin Abdullah
8	Tan Sri Abdul Wahid bin Omar
9	Dato' Abdul Rahman bin Ahmad

- (14) Disclosure of the following :

- (i) If the guarantor or its board members have been convicted or charged with any offence : None.

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under any
securities laws,
corporation
laws or other
laws involving
fraud or
dishonesty in a
court of law, or
if any action
has been
initiated against
the guarantor or
its board
members for
breaches of the
same, for the
past ten years
prior to the
lodgement/
since
incorporation
(for guarantor
incorporated
less than ten
years)

- (ii) If the guarantor : Not applicable.
has been
subjected to
any action by
the stock
exchange for
any breach of
the listing
requirements or
rules issued by
the stock
exchange, for
the past five
years prior to
the lodgement

(C) PARTIES TO THE TRANSACTION

(a) Origination

PNB Merdeka Ventures Sdn. Berhad (PNBMV)

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No.	Roles	Name of parties
1	Issuer	PNB Merdeka Ventures Sdn. Berhad
2	Guarantor	Permodalan Nasional Berhad
3	Principal Adviser	MIDF Amanah Investment Bank Berhad
4	Lead Arranger	MIDF Amanah Investment Bank Berhad and any other financial institutions that may be appointed by the Issuer
5	Solicitors	Messrs. Zul Rafique & partners
6	Sukuk Trustee	AmanahRaya Trustees Berhad
7	Security Agents	MIDF Amanah Investment Bank Berhad
8	Shariah Adviser	MIDF Amanah Investment Bank Berhad (backed by MIDF Shariah Committee)
9	Valuer	Rahim & Co International Sdn. Bhd. or such other valuer(s) to be appointed by the Issuer and to be mutually agreed between the Issuer and the Facility Agent
10	Reporting Accountant	Messrs. Hanafiah, Raslan & Mohamad

(b) At the point of distribution

No.	Roles	Name of parties
1	Issuer	PNB Merdeka Ventures Sdn. Berhad

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2	Lead Manager	MIDF Amanah Investment Bank Berhad or MIDF Amanah Investment Bank Berhad and any other financial institutions that may be appointed by the Issuer
3	Facility Agent	MIDF Amanah Investment Bank Berhad
4	Shariah Adviser	MIDF Amanah Investment Bank Berhad (backed by MIDF Shariah Committee)
5	Central Depository	Bank Negara Malaysia
6	Paying Agent	Bank Negara Malaysia

(c) After distribution

No.	Roles	Name of parties
1	Issuer	PNB Merdeka Ventures Sdn. Berhad
2	Principal Adviser	MIDF Amanah Investment Bank Berhad
3	Facility Agent	MIDF Amanah Investment Bank Berhad
4	Shariah Adviser	MIDF Amanah Investment Bank Berhad (backed by MIDF Shariah Committee)
5	Central Depository	Bank Negara Malaysia
6	Paying Agent	Bank Negara Malaysia
7	Sukuk Trustee	AmanahRaya Trustees Berhad
8	Security Agents	MIDF Amanah Investment Bank Berhad

Unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka ASEAN Green SRI Sukuk) pursuant to a Sukuk programme of up to Ringgit Malaysia Two Billion (RM2,000,000,000.00) in nominal value (Merdeka ASEAN Green SRI Sukuk Programme). The Issuer also proposes to issue unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka Sukuk Murabahah) pursuant to a Sukuk programme of up to Ringgit Malaysia Three Billion Six Hundred Fifty Million (RM3,650,000,000.00) in nominal value (Merdeka Sukuk Murabahah Programme).

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(D) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : Unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah ("Merdeka ASEAN Green SRI Sukuk") pursuant to a Sukuk programme of up to Ringgit Malaysia Two Billion (RM2,000,000,000.00) in nominal value ("Merdeka ASEAN Green SRI Sukuk Programme"). The Issuer also proposes to issue unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah ("Merdeka Sukuk Murabahah") pursuant to a Sukuk programme of up to Ringgit Malaysia Three Billion Six Hundred Fifty Million (RM3,650,000,000.00) in nominal value ("Merdeka Sukuk Murabahah Programme").
- (2) One-time issue or programme : Programme
- (3) ASEAN Corporate Bonds / Sukuk : ASEAN Green Sukuk
- (4) Shariah principles (for sukuk) : 1. Murabahah (via Tawarruq arrangement)
2. Wakalah (Agency)
- (5) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : Merdeka ASEAN Green SRI Sukuk shall be effected as follows:

The Facility Agent and the investors of the Merdeka ASEAN Green SRI Sukuk ("**Sukukholders**") (via the Sukuk Trustee ("**Sukuk Trustee**") shall enter into an agency agreement ("**Agency Agreement**"), pursuant to which the Facility Agent is appointed as the agent ("**Wakeel**") of the Sukukholders, without imposition of fee, for the purchase and sale of Shariah-compliant commodities which would exclude ribawi items in the category of medium of exchange such as currency, gold and silver ("**Commodities**").

Pursuant to a commodity *Murabahah* master agreement ("**Commodity Murabahah Master Agreement**"), entered into between the Issuer (as "**Purchaser**") and the *Wakeel* on behalf of the Sukukholders (as "**Seller**"), the Purchaser shall, from time to time, prior to the date on which the relevant series of the Merdeka ASEAN Green SRI Sukuk is issued, issue a purchase order for the required Commodities ("**Purchase Order**") in relation to the said series to the Sukukholders (as Seller) via the Facility Agent (as *Wakeel*). In the Purchase Order, the Issuer, as the Purchaser, will request the Facility Agent as the *Wakeel* of the Sukukholders to purchase the Commodities and will irrevocably undertake based on the Shariah principle of ***Wa'd Mulzim*** to purchase the Commodities from the

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Sukukholders for the said series at the deferred sale price, which shall be equivalent to the Purchase Price (as defined below) plus the profit margin under the said series ("**Deferred Sale Price**").

Based on the Purchase Order, the Sukukholders shall pay the purchase price of the Commodities which shall be an amount equivalent to the Merdeka ASEAN Green SRI Sukuk proceeds for the said series ("**Purchase Price**") to the Facility Agent.

Upon receipt of the Purchase Price, the Facility Agent will appoint the Commodity Trading Participant ("**CTP**") to purchase the Commodities on a spot basis from the commodity vendor(s) in the *Bursa Suq Al-Sila'* commodity market or any other recognised commodity trading platform at the Purchase Price. The Purchase Price shall comply with the asset pricing requirements stipulated under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued on 9 March 2015 and effective on 15 June 2015 and revised on 8 November 2017) issued by the Securities Commission Malaysia ("**SC**") ("**Guidelines on LOLA Framework**") which term shall include such guidelines as may be amended, supplemented and/or substituted from time to time).

Upon completion of the purchase of the Commodities, the Facility Agent (as *Wakeel*) on behalf of the Sukukholders shall sell the Commodities to the Issuer at the Deferred Sale Price. The Issuer shall pay the Deferred Sale Price to the Sukukholders via the Facility Agent (as *Wakeel*).

The Issuer shall issue and the Sukukholders shall subscribe to the Merdeka ASEAN Green SRI Sukuk issued by the Issuer to represent the Sukukholders' entitlement to receive the Deferred Sale Price.

Thereafter, the Issuer shall appoint the CTP to sell the Commodities to Bursa Malaysia Islamic Services Sdn Bhd or any other recognised commodity purchaser on a spot basis at an amount equivalent to the Purchase Price.

PNB shall provide an unconditional and irrevocable completion guarantee ("**Completion Guarantee**") in relation to the Merdeka ASEAN Green SRI Sukuk Programme and the Merdeka Sukuk *Murabahah* Programme, as further stated in the item entitled "Details of guarantee" below.

The Merdeka ASEAN Green SRI Sukuk may be issued with profit payments ("**Periodic Profit Payments**"). Merdeka ASEAN Green SRI Sukuk with Periodic Profit Payments may be issued based on fixed profit rate to be agreed between the Issuer and the Lead Manager(s) prior to each issuance of the Merdeka ASEAN Green SRI Sukuk. During the tenure of the Merdeka ASEAN Green SRI Sukuk, the Purchaser, as part of its obligation to pay the Deferred Sale Price, shall make periodic payments based on a fixed profit rate to be agreed. Each such payment shall pro tanto reduce the obligation of the Purchaser on the Deferred Sale Price payable for the purchase of the Commodities from the Facility Agent (as *Wakeel*).

(i) On the maturity date of the relevant series of the Merdeka ASEAN Green SRI Sukuk; or (ii) upon the declaration of an Event of Default (as defined below under

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the item entitled “Definitions-Event of Default”); or (iii) upon early redemption of the relevant series of the Merdeka ASEAN Green SRI Sukuk, whichever is earlier, all amounts then outstanding on the Deferred Sale Price (subject to *ibra*’, where applicable), shall be paid by the Purchaser (as part of its obligation to pay the Deferred Sale Price) to the Sukukholders as final settlement of the same, whereupon the relevant series of the Merdeka ASEAN Green SRI Sukuk shall be cancelled.

A diagrammatical illustration of the transaction structure and the explanatory notes is set out in Appendix 7.

- (6) Currency : Ringgit
- (7) Expected facility/
programme size : Up to MYR 2,000,000,000.00
- (8) Option to upsize (for : No
programme)
- (9) Tenure of facility/
programme : 15 year(s)
- (10) Availability period for:
debt/ sukuk
programme : Merdeka ASEAN Green SRI Sukuk is available for a period commencing from the date the conditions precedent are fulfilled or waived (as the case may be) to the satisfaction of the Joint Lead Arrangers and ending on the date of the Scheduled Completion Date (as defined below under the item entitled “Definitions-Scheduled Completion Date”) (excluding Service Apartments (as defined below under the item entitled “Definitions-Service Apartments”)), provided always that the first issuance of Merdeka ASEAN Green SRI Sukuk under Merdeka ASEAN Green SRI Sukuk Programme shall be made within sixty (60) business days from the date of lodgement with the SC (“**Lodgement**”) as set out in the Guidelines on LOLA Framework.
- (11) Clearing and : PayNet
settlement platform
- (12) Mode of issue : ☒ Private/direct placement
☒ Bought deal
☒ Book building

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- (13) Selling restrictions : (i) At issuance:
- ☒ Part I of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)
 - ☒ Part I of Schedule 7 of the CMSA
 - ☒ Read together with Schedule 9 of CMSA
 - ☒ Section 2(6) of the Companies Act 2016
- (ii) After issuance:
- ☒ Part I of Schedule 6 of the CMSA
 - ☒ Section 2(6) of the Companies Act 2016
 - ☒ Read together with Schedule 9 of CMSA

Additional Notes:

Selling Restrictions at Issuance

The Merdeka ASEAN Green SRI Sukuk may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons falling within Section 2(6) of the CA, as amended from time to time; and Part 1 of Schedule 6 or Section 229(1)(b) and Part 1 of Schedule 7 or Section 230(1)(b) read together with Schedule 9 or Section 257(3) of the CMSA, as amended from time to time.

Selling Restrictions after Issuance

The Merdeka ASEAN Green SRI Sukuk may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons falling within Section 2(6) of the CA, as amended from time to time; and Part 1 of Schedule 6 or Section 229(1)(b) read together with Schedule 9 or Section 257(3) of the CMSA, as amended from time to time.

- (14) Tradability and transferability :
- Size in Ringgit which are tradable and transferable:
MYR 2,000,000,000.00
- Size in Ringgit which are non-tradable and non-transferable:
Not applicable
- Size in Ringgit which are restricted transferability:
Not applicable

- (15) Secured/combination of unsecured and secured, if applicable :
- Secured.
- Merdeka ASEAN Green SRI Sukuk shall be secured by the following security documents (collectively the “**Security Documents**”) in favour of the Security Agent (as defined below):
- (i) First legal charge under the National Land Code 1965 over the strata title in respect of the Office Tower (as defined below under the item entitled “Definitions-Office Tower”) (“**Office Tower Strata Title**”) upon issuance of the Office Tower Strata Title (“**Office Tower Land Charge**”);
- (ii) Assignment of all present and future rights, title, interest and benefit in and to

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the Office Tower Lease (as defined below under the item entitled “Definitions-Office Tower Lease”) (**“Assignment of Office Tower Lease”**);

(iii) Equitable assignment over the Issuer’s present and future rights, title, interest and benefit in and to all revenue, proceeds, income and cashflows derived or collected or to be generated from the Office Tower including but not limited to:

(a) proceeds from refinancing and/or disposal of the Office Tower or any part thereof; and

(b) any other income or such other sums of money received by or accrued to the Issuer whether on account of any claims for damages, awards and judgments made or given under or in connection with the Office Tower or otherwise howsoever in relation to the Office Tower

(**“Assignment of Office Tower Proceeds”**);

(iv) Assignment of all present and future rights, title, interest and benefit in and to the *takaful*/insurance policies (with preference be given to *takaful* rather than conventional insurance), if any taken or required to be undertaken for the Project (as defined below under the item entitled “Definitions-Project”) in relation to the Office Tower by PNBMV with the Security Agent designated as the loss payee (save for any third party liability or compensation insurance), to the extent permitted by the prevailing laws (**“Assignment of Office Tower Takaful Insurances”**);

(v) Assignment and/or charge of all present and future rights, title, interests and benefit in and to all the Proceeds Account 1, PA 1, PEA 1, OA 1, CA 1, FSA 1 and FSRA 1 (all as defined below under the item entitled “Designated Accounts”) (collectively the **“Designated Accounts”**) and such additional accounts as required by the Facility Agent and agreed to by the Issuer for purposes of the Merdeka ASEAN Green SRI Sukuk Programme, including the permitted investments from the same accounts (**“Assignment and Charge of Office Tower Designated Accounts”**);

(vi) Debenture creating a first ranking fixed and floating charge over all the assets, present and future of the Issuer (with specific exclusion of rights in shares of the Project Companies (as defined below under the item entitled “Definitions-Project Companies”) (save for PNBMV), the Excluded Assets (as defined below under the item entitled “Definitions-Excluded Assets”), the strata titles in respect of the Parcel 6 Properties (as defined below under the item entitled “Definitions-Parcel 6 Properties”) (other than the Office Tower Strata Title) upon issuance of the strata titles (**“Parcel 6 (Non-Office Tower) Strata Titles”**) and the Parcel 6 Properties (other than the Office Tower)) (**“Office Tower Debenture”**);

(vii) Charge over all shares of the Issuer (**“Charge of PNBMV Shares”**);

(viii) Assignment of all present and future rights, titles, benefits and interests in and to any contracts entered or to be entered into between the Issuer and/or the Project Manager (as defined below under the item entitled “Definitions-PNBMV or the Project Manager or the Issuer”) (as may be applicable) with any management

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company(ies) and/or manager(s) to be appointed in respect of the Office Tower, which are assignable and/or for which consent has been obtained (if required) ("**Assignment of Office Tower Management Agreement**");

(ix) Assignment of all present and future rights, titles, benefits and interests of the Issuer and/or the Project Manager (as may be applicable) under the relevant Project Documents (as defined below under the item entitled "Definitions-Project Documents") which are solely related to the Office Tower (other than the JDA (as defined below under the item entitled "Definitions-JDA")), which are assignable and/or for which consent has been obtained (if required) ("**Assignment of Office Tower Project Documents**") ; and

(x) A deed of subordination in form and substance acceptable to the Sukukholders subordinating all present and future advances and financings to the Issuer from its shareholder ("**Deed of Subordination**").

Shared Security Documents

Merdeka ASEAN Green SRI Sukuk and Merdeka Sukuk *Murabahah* shall be secured inter alia, by the following (collectively, the "**Shared Security Documents**") in favour of the security agent for the Merdeka ASEAN SRI Sukuk Programme and Merdeka Sukuk *Murabahah* Programme ("**Security Agent**") subject to the terms and conditions in the security sharing agreement to be executed between the Issuer, PNB, the Project Companies, the Security Agent, the Sukuk Trustee under the Merdeka ASEAN Green SRI Sukuk Programme and the sukuk trustee under Merdeka Sukuk *Murabahah* Programme ("**Security Sharing Agreement**"):

(i) First legal charge under the National Land Code 1965 ("**Parcel 6 Titles NLC Charge**") over:

- (a) Parcel 6 Titles (as defined below under the item entitled "Definitions-Parcel 6 Titles") (1);
- (b) the Kawasan Lapang (as defined below under the item entitled "Definitions-Kawasan Lapang") (1);
- (c) Parcel 6 (as defined below under the item entitled "Definitions-Parcel 6"), upon issuance of a single title to Parcel 6 (2); and
- (d) the stratum/subterranean title ("**Stratum/Subterranean Title**") in respect of the Parcel 3 Car Park (as defined below under the item entitled "Definitions-Parcel 3 Car Park") upon issuance of Stratum/Subterranean Title.

Notes:

(1) Upon the relevant approval for the consolidation and subdivision of titles via amalgamation, subdivision, surrender, alienation or such other relevant processes being obtained, the Parcel 6 Titles, Lot 746 (P6 Portion) (as defined below under the item entitled "Definitions-Lot 746 (P6 Portion)") and the Kawasan Lapang will be surrendered or delivered to the relevant land authority for the issuance of a single title to Parcel 6. A new land charge over the Parcel 6 will be created upon issuance of such title, in favour of the Security Agent under the Merdeka ASEAN Green SRI Sukuk Programme and under the Merdeka Sukuk Murabahah Programme.

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(2) Upon application for strata titles being approved, any existing charge over Parcel 6 will be discharged and the original title to Parcel 6 will be surrendered to the relevant land office for the issuance of strata titles including the Office Tower Strata Title. A new land charge over the Office Tower Strata Title will be created in favour of the Security Agent under the Merdeka ASEAN Green SRI Sukuk Programme and new land charges will be created over the Parcel 6 (Non-Office Tower) Strata Titles upon the issuance of such strata titles in favour of the Security Agent under the Merdeka Sukuk Murabahah Programme.

(3) The Sukukholders under the Merdeka ASEAN Green SRI Sukuk Programme and the Merdeka Sukuk Murabahah Programme acknowledge and confirm that no redemption sum is payable in respect of any units sold under the Service Apartments component and that the Security Agent shall have the absolute right upon request from the purchasers or financiers of the Service Apartments or their respective solicitors, to forthwith without further notice to the Sukuk Trustee, issue and deliver to the purchasers, financiers or their respective solicitors, letters of disclaimers and undertaking as may be required under the sale and purchase agreements entered into.

(ii) Assignment of the construction contracts in relation to the Project including all potential liquidated ascertained damages;

(iii) Assignment of all present and future rights, interests, titles and benefits in and to the performance bonds or completion guarantees issued or to be issued by or on behalf of the respective contractors for the Project in favour of the Project Companies and/or the Project Manager, which are assignable and/or for which consent has been obtained (if required);

(iv) Assignment of all present and future rights, titles, benefits and interests of the Project Companies and/or the Project Manager (as may be applicable) under the JDA;

(v) Irrevocable and unconditional letter of disclaimer by PNBM-Park Hotel (as defined below under the item entitled "Definitions-PNBM Park Hotel") in favour of the Project Companies and/or the Security Agent disclaiming, among others, its rights, title, benefits, interest and claims over the Parcel 6 Titles and any revenues and benefit arising from the Parcel 6 Properties; and

(vi) Completion Guarantee (as defined below under the item entitled "Details of guarantee, if applicable").

The rights of the Sukukholders and sukukholders of the Merdeka Sukuk *Murabahah* Programme ("**MSM Sukukholders**") under the Shared Security Documents shall rank on a pari passu basis in point of priority and security and shall be governed by the terms and conditions set out in a Security Sharing Agreement.

Special Condition

Merdeka Sukuk *Murabahah* Programme shall be inter alia, secured by the Office Tower Land Charge, Assignment of Office Tower Proceeds, Assignment of Office

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Tower Lease, Assignment of Office Tower *Takaful*/Insurances, Assignment and Charge of Office Tower Designated Accounts, Office Tower Debenture, Charge of PNBMV Shares, Assignment of Office Tower Management Agreement, and Assignment of Office Tower Project Documents (collectively the “**Merdeka ASEAN Green SRI Sukuk Security Documents**”), subject to the terms and conditions in the Security Sharing Agreement.

The rights of the MSM Sukukholders in the Merdeka ASEAN Green SRI Sukuk Security Documents and the security proceeds derived from the Merdeka ASEAN Green SRI Sukuk Security Documents shall rank after the rights of Sukukholders in the Merdeka ASEAN Green SRI Sukuk Security Documents and the security proceeds derived therefrom, in point of priority and security. Notwithstanding the above, in relation to the decision on whether to issue an enforcement instruction to the Security Agent in relation to the Merdeka ASEAN Green SRI Sukuk Security Documents, the MSM Sukukholders shall only be entitled to issue an enforcement instruction to the Security Agent in relation to the Merdeka ASEAN Green SRI Sukuk Security Documents only upon the full settlement of the Merdeka ASEAN Green SRI Sukuk Programme.

(16) Details of guarantee, if applicable

(i) PNB shall provide the Completion Guarantee, commencing from (and including) the first issue date of Merdeka ASEAN Green SRI Sukuk under the Merdeka ASEAN Green SRI Sukuk Programme or Merdeka Sukuk *Murabahah* under the Merdeka Sukuk *Murabahah* Programme, whichever is the earlier, in favour of the Security Agent, to complete:

- (a) the Project (except the Service Apartments) by 30 June 2022; and
- (b) the Service Apartments by 30 June 2026,

upon the terms and conditions set out therein, which shall include:

(1) to fund any Cost Overrun (as defined below under the item entitled “Definitions-Cost Overrun”) incurred relating to the Project to ensure the Project is completed by the Scheduled Completion Date;

(2) in the event the Completion (as defined below under the item entitled “Definitions-Completion”) of the Project is delayed beyond the Scheduled Completion Date, to complete and to fund all cost relating to the Project to ensure the Completion of the Project by the Extended Completion Date (as defined below under the item entitled “Definitions-Extended Completion Date”), including any costs incurred for such delay in connection with the Project which shall include but is not limited to construction costs and/or any cost/expenses, all outstanding financial obligations under the Merdeka ASEAN Green SRI Sukuk Programme and the Merdeka Sukuk *Murabahah* Programme and any other costs arising from the delay (inclusive of the liquidated damages and/or penalties payable by PNBMV to the Project Companies under the Project); and

(3) in the circumstances where the Completion of the Project is delayed beyond the Extended Completion Date, the Security Agent may at its discretion and shall if instructed by either the Sukukholders by a special resolution, declare an Event of

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Default has occurred under the Merdeka ASEAN Green SRI Sukuk Programme or the MSM Sukukholders by a special resolution, declare an event of default has occurred under the Merdeka Sukuk *Murabahah* Programme, and whereupon all amounts payable by the Issuer under the Merdeka ASEAN Green SRI Sukuk Programme and the Merdeka Sukuk *Murabahah* Programme and all accrued profits and principal thereon and any other amounts payable under the Merdeka ASEAN Green SRI Sukuk Programme and the Merdeka Sukuk *Murabahah* Programme, shall become due and payable and the Security Agent shall be entitled to immediately enforce on the Completion Guarantee (at the instruction of either the Sukukholders or the MSM Sukukholders) and PNB shall on demand immediately settle all outstanding sum (including principal and profits due and payable under the Merdeka ASEAN Green SRI Sukuk Programme and the Merdeka Sukuk *Murabahah* Programme), without further notice to the Issuer.

(ii) In the event the Completion of the Project is delayed beyond the Scheduled Completion Date, Completion of the Project by the Scheduled Completion Date guaranteed by PNB under the Completion Guarantee shall be extended to guarantee the Completion by the Extended Completion Date and such extension shall not be subject to the consent of the Sukukholders under the Merdeka ASEAN Green SRI Sukuk Programme and/or the MSM Sukukholders under the Merdeka Sukuk *Murabahah* Programme.

(iii) For the avoidance of doubt, where no issuance has been made under the Merdeka Sukuk *Murabahah* Programme for purposes of funding the construction of the Service Apartments on or before the Scheduled Completion Date of the Service Apartments ("**Non-Issuance Event**"), the Completion Guarantee shall automatically cease to guarantee the Completion of Service Apartments by 30 June 2026 and all construction costs and/or any cost/expenses to be incurred in connection with the Service Apartments, including all outstanding financial obligations under the Merdeka Sukuk *Murabahah* Programme in relation to the funding of the construction of the Service Apartments after the Scheduled Completion Date and any other costs arising from the delay (inclusive of the liquidated damages and/or penalties payable by PNBMV to the Project Companies under the Project).

(iv) The Completion Guarantee shall automatically cease to guarantee the Completion of the Office Tower and the Cost Overrun incurred in connection with the Office Tower, on the Handover Date Of The Office Tower (as defined below under the item entitled "Definitions-Handover Date Of The Office Tower") and in relation to the guarantee of the Completion and Cost Overrun incurred in connection with all the other components of the Project (other than the Office Tower), the Completion Guarantee shall automatically cease upon issuance of the Sectional CCC (as defined below under the item entitled "Definitions-Sectional CCC") in respect of all the other components of the Project (save for the guarantee under the Completion Guarantee in relation to the Service Apartments where the Non-Issuance Event occurs, the Completion Guarantee shall automatically cease to guarantee the Completion of Service Apartments by 30 June 2026 and all construction costs and/or any cost/expenses to be incurred in connection with the

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Service Apartments, including all outstanding financial obligations under the Merdeka Sukuk *Murabahah* Programme, if any in relation to the funding of the construction of the Service Apartments after the Scheduled Completion Date and any other costs arising from the delay (inclusive of the liquidated damages and/or penalties payable by the Issuer to the Project Companies under the Project)). For the avoidance of doubt, the Completion Guarantee for the guarantee of the Completion and Cost Overrun incurred in connection with all the other components of the Project (other than the Office Tower and the Service Apartments) shall not in any way be prejudiced or affected by the automatic cessation of the Completion Guarantee in respect of the Office Tower and the Service Apartments.

- (17) Convertibility of issuance and details of the convertibility : Non-convertible
- (18) Exchangeability of issuance and details of the exchangeability : Non-exchangeable
- (19) Call option and details, if applicable : No call option
- (20) Put option and details, if applicable : No put option
- (21) Details of covenants : Positive Covenants

Positive covenants shall include but not limited to the following:

(i) **Conduct of Business:** The Issuer will and shall procure that the Project Companies maintain its corporate existence and its rights to carry on operation and exercise reasonable diligence in carrying out its respective businesses in a proper and efficient manner which shall ensure, amongst others, that all necessary approvals, permits or licenses are obtained and maintained and will promptly obtain any further authorisations, consents, rights, licenses, approvals and permits (governmental or otherwise) which is or may become necessary to enable it to own its assets and/or to operate its business respectively;

(ii) **Material Adverse Change:** The Issuer will and shall procure that the Project Companies shall take all steps as may be necessary to procure that there is no material adverse change to its condition (financial or otherwise) and to promptly notify the Sukuk Trustee and the Facility Agent of any material adverse change or event which may or is likely to have a Material Adverse Effect (as defined below

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under the item entitled “Definitions-Material Adverse Effect”);

(iii) **Shariah-compliant:** The Issuer will comply at all times with Shariah requirements during the subsistence of the Merdeka ASEAN Green SRI Sukuk Programme tenure;

(iv) **Financial Statements:** The Issuer will and shall procure that the Project Companies prepare its respective financial statements and shall procure 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 and its Project Companies 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;

(v) **Utilisation of Proceeds:** The Issuer shall utilise the proceeds only as permitted under the Issue Documents (as defined below under the item entitled “Other Terms and Conditions-(m) Documentation”);

(vi) **Access:** Subject to prior reasonable notice, the Issuer shall permit the Facility Agent, the Security Agent, the Sukuk Trustee and any other person appointed by any of them, full and free access to the site of the Project, at all reasonable times during normal business hours, and give any such person, any information required by him so as to enable him to inform himself about all aspects of the Project at its costs and all costs and expenses incurred by the Facility Agent, the Security Agent, the Sukuk Trustee and any other person appointed by any of them in relation to the inspection of the site of the Project shall be borne by the Issuer and the Project Companies (as the case may be);

(vii) **Records on the Project:** The Issuer will and shall ensure that the Project Companies shall maintain adequate records to record the progress of the Project against work schedule (including the cost thereof and the progress of the works thereunder) and shall submit progress report on the Project against work schedule in form and substance acceptable to the Facility Agent and the Sukuk Trustee on a quarterly basis or at any time as required by the Facility Agent and the Sukuk Trustee in a format to be agreed and shall allow the Facility Agent, the Security Agent, the Sukuk Trustee and any other person appointed by any of them, during ordinary office or working hours to inspect all records in relation to the Project at any of its offices, branches or places of business or elsewhere and shall use its best endeavours to allow the Facility Agent, the Security Agent, the Sukuk Trustee or their agents, servants or officers during ordinary office or working hours to inspect all records in relation to the Project kept by any other authorities or persons so far as such records relate to or affect the Project;

(viii) **Project:** The Issuer will and shall ensure that the Project Companies shall carry out the Project in accordance with prudent industrial practices and in compliance with all laws in Malaysia and all rules, regulations, by-laws, orders and directives in Malaysia (whether or not having the force of law);

(ix) **Performance and Enforcement of Project Documents:** The Issuer will and shall ensure that the Project Companies shall ensure:

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- (a) its due performance of and compliance with all provisions of the Project Documents;
 - (b) the proper exercise of all rights, remedies, powers and discretions available to it under the Project Documents; and
 - (c) where the enforcement or non-enforcement of its rights, powers or remedies under the Project Documents will have a Material Adverse Effect, it shall ensure the enforcement of the rights, powers, remedies and the exercise of any authorities and discretion under or in respect of the Project Documents only in accordance with the directions of the Sukuk Trustee;
- (x) **Environmental undertakings:** The Issuer will and shall ensure that the Project Companies shall, if required in relation to the Project:
- (a) comply with all Environmental Laws (as defined below under the item entitled "Definitions- Environmental Laws") to which it may be subject or pertaining to the Project;
 - (b) obtain all Environmental Licences (as defined below under the item entitled "Definitions- Environmental Licences") required or desirable in connection with the Project, if required by law; and
 - (c) comply with all Environmental Licences obtained in connection with the Project;
- (xi) **ASEAN GBS and the Guidelines on LOLA Framework on Sustainable and Responsible Investment (SRI) Sukuk compliant:** The Issuer will comply at all times with the ASEAN GBS and the Guidelines on LOLA Framework on the Sustainable and Responsible Investment (SRI) Sukuk requirements during the subsistence of the Merdeka ASEAN Green SRI Sukuk Programme tenure, in relation to the Eligible SRI Project;
- (xii) Issuer shall implement comprehensive sustainable green building policies governing the construction phase and building operation;
- (xiii) Upon the issuance of the Office Tower Strata Title, the Issuer shall procure the relevant undertakings to be issued by the Issuer, PNB or such other persons as may be deemed necessary, deposit all documents as may be required and take all steps as may be deemed necessary for purposes of the release of the Office Tower Strata Title and the registration of the Office Tower Lease with the relevant land office or registry and such release of the Office Tower Strata Title shall not be subject to the consent of the Sukukholders and the MSM Sukukholders;
- (xiv) Such other positive covenants as required for purposes of compliance with the SC's Trust Deeds Guidelines and as may be advised by the Solicitors, the Joint Lead Arrangers and agreed by the Issuer.

Negative covenants

Without prior written consent of the Sukuk Trustee which consent shall not be unreasonably withheld:

- (i) **Restriction on subscription of shares:** The Issuer shall not inject, channel or on-lend the proceeds from the issuance of the Merdeka ASEAN Green SRI Sukuk into the Project Companies (save for PNBMV) via subscription of shares (whether

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ordinary or preference shares, redeemable or otherwise);

(ii) **Negative Pledge:** The Issuer shall not and shall procure that the Project Companies do not create or permit to exist over all or any part of their respective businesses or assets any security interest other than:

- (a) security interest over the Excluded Assets provided that recourse is limited to the Excluded Assets;
- (b) those created pursuant to or permitted under the Merdeka ASEAN Green SRI Sukuk Programme and the Merdeka Sukuk *Murabahah* Programme;
- (c) liens arising in the ordinary course of business by operation of law and not by way of contract; and
- (d) those disclosed to the Sukuk Trustee/ Sukukholders in writing prior to the date of the Issue Documents;

(iii) **Dividends or Distributions:** Save as permitted under the Merdeka Sukuk *Murabahah* Programme, the Issuer shall not declare or pay any dividends or make any distributions whether income or capital in nature to its shareholder;

(iv) **Disposals/dealings with assets:** The Issuer will not and shall procure that the Project Companies do not sell, transfer, lease or otherwise dispose of or in any case cease to exercise control over, whether by single transaction or a number of transactions, related or not, all or a substantial part of the Issuer's or the Project Companies' undertaking, businesses or assets (other than the Excluded Assets) save and except for:

- (a) those contemplated under the Project Documents;
- (b) those carried out in connection with or to give effect to Shariah-compliant financing permitted under sub-paragraph (ix) below provided that they do not result in legal and/or beneficial interest in such undertakings, businesses or assets being vested in an entity other than the Issuer and/or the Project Companies (as the case may be); and
- (c) those carried out in the ordinary course of business and at arm's length;

(v) **Restriction on merger consolidation or reorganisation:** Other than an intra-group reorganisation on a solvent basis and provided that the Issuer shall be the surviving entity or dissolution pursuant to voluntary winding up proceedings of any of its dormant subsidiaries, the Issuer shall not and shall procure that the Project Companies do not undertake or permit any merger, consolidation, amalgamation, reconstruction or winding up which will have a Material Adverse Effect;

(vi) **Shareholding:** The Issuer shall not and shall procure that the Project Companies do not change or permit any change in their controlling shareholders or shareholding structure;

(vii) **Restriction on transactions:** Except for the Project Documents, Parcel 3 Car Park Agreement (as defined below under the item entitled "Definitions-Parcel 3 Car Park Agreement"), agreement for the acquisition/transfer of Lot 746 (as defined below under the item entitled "Definitions-Lot 746") and agreements and documents relating to the Other Project(s) (as defined below under the item entitled "Definitions-Other Project(s)") and the Excluded Assets, the Issuer shall not

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and shall procure that the Project Companies do not enter into any transaction, whether directly or indirectly, with any person, firm or company except in the ordinary course of their respective businesses on ordinary commercial terms and on the basis of arm's length arrangements or establish any exclusive purchasing or sales agency, or enter into any transaction whereby the Issuer and/or the Project Companies might pay more than the ordinary commercial price for any purchase or might receive less than the full commercial price (subject to normal trade discounts) for its products;

(viii) **Related party transactions:** The Issuer shall not enter into any transaction whether directly or indirectly with interested persons (who shall include directors, major shareholders and chief executive officer) (the "**Related Transaction**") unless:

(a) the 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; and

(b) with respect to transactions involving an aggregate payment or value equal to or greater than Ringgit Malaysia One Billion (RM1,000,000,000.00), the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms,

provided that the Issuer certifies to the Sukuk Trustee that:

- (1) the transaction complies with sub-paragraph (viii)(a) above;
- (2) where applicable, the Issuer has received the certification referred to in sub-paragraph (viii)(b) above; and
- (3) the transaction has been approved by the majority of the Issuer's board of directors or shareholders in a general meeting (as the case may require);

(ix) **Financings:** The Issuer shall not and shall procure that the Project Companies do not incur, assume, make, grant, lend, provide, extend or permit to exist, any financings, advances, credit, accommodation, guarantee, indemnity or assurance against loss to or for the benefit of any person, enterprise or company, or act as surety or otherwise voluntarily assume any liability, whether actual or contingent except for:

(a) the Merdeka ASEAN Green SRI Sukuk Programme and the Merdeka Sukuk *Murabahah* Programme;

(b) any guarantee facility(ies) of up to the aggregate principal amount of Ringgit Malaysia Two Hundred Million (RM200,000,000.00) only in connection with the agreement for the acquisition/transfer of, among others, the Lot 746 or such other increased amount as may be determined by:

- (i) the Joint Lead Arrangers prior to the first issuance of the Merdeka ASEAN Green SRI Sukuk under the Merdeka ASEAN Green SRI Sukuk Programme; or
- (ii) the Sukukholders after the first issuance of the Merdeka ASEAN Green SRI Sukuk under the Merdeka ASEAN Green SRI Sukuk Programme;

(c) the working capital facilities of up to Ringgit Malaysia Two Hundred Million

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(RM200,000,000.00) only on unsecured basis incurred in the ordinary course of business ("**Working Capital Facilities**") provided that the Working Capital Facilities does not result in a breach of the Financial Covenants (as stated below under the item entitled "Financial Covenants");

(d) liabilities arising from security created over the Excluded Assets provided that such liability is limited to the amount recovered by financiers under the Excluded Assets;

(e) liabilities arising from financing facilities in relation to Other Project(s) (other than those referred to in sub-paragraph (ix)(d) above) provided that it does not result in a breach of the Financial Covenants;

(f) the existing indebtedness (including trade or bank guarantee facilities) incurred or obtained by the Issuer and/or the Project Companies, and disclosed in writing to the Joint Lead Arrangers prior to the date of the Issue Documents (where applicable);

(g) the intercompany financings, advances or any transactions for the purpose of effecting the on-flow of the proceeds of financing facilities permitted under this sub-paragraph (ix) ("**Intercompany Facilities**");

(h) subordinated financings and/or advances from shareholders and/or affiliates referred to in sub paragraph (xiv) below;

(i) financings and/or advances to Other Companies (as defined below under the item entitled "Definitions-Other Companies") as equity contribution to Other Project(s) provided it does not result in a breach of the Financial Covenants; and

(j) indebtedness arising pursuant to the FSRA BG (as defined below in the table for FSRA 1 under the item entitled "Designated Accounts");

(x) **Constitutional Documents:** The Issuer will not and shall procure that the Project Companies do not add, delete, vary or amend their respective constitution in any manner which would be inconsistent with the terms of the Issue Documents or which may be materially prejudicial to the interests of the Sukukholders;

(xi) **Share Capital:** The Issuer will not and shall procure that the Project Companies do not reduce or in any way whatsoever alter (other than by way of an increase) their respective issued shares in existence at the date hereof by varying the amount, structure or value thereof or the rights attached thereto or convert any of its share capital into stock or by consolidating, dividing or subdividing all or any of their respective shares;

(xii) **Nature of business:** The Issuer will not and shall procure that the Project Companies do not permit any substantial change to their respective current direction and/or nature of businesses;

(xiii) **Enter into partnership:** Other than those contemplated under the financing facilities permitted under sub-paragraph (ix) above, to give effect to Shariah-compliant financing, the Issuer shall not and shall procure that the Project

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Companies do not, unless in their respective normal course of business and on arm's length basis, enter into any partnership, profit-sharing or royalty agreement or other arrangement of whatsoever nature whereby the Issuer's and/or the Project Companies' income or profits are, or might be, shared with any other person, firm or company or enter into any management contract or similar arrangement of whatsoever nature whereby the Issuer's and/or the Project Companies' business or operations are managed by any other person, firm or company;

(xiv) **Financings and/or Advances from shareholders and affiliates:**

(a) The Issuer shall not obtain or permit to exist any financings or advances from its shareholders and/or affiliates unless such financings and advances are subordinated to the Merdeka ASEAN Green SRI Sukuk Programme and the Merdeka Sukuk *Murabahah* Programme; and

(b) other than the Intercompany Facilities, the Project Companies shall not obtain or permit to exist any financings or advances from its shareholders and/or affiliates unless such loans and advances are subordinated to the Intercompany Facilities;

(xv) **Designated Accounts:** The Issuer shall not open and/or maintain any accounts in relation to the Project and the Office Tower other than the Designated Accounts, any accounts as may be required under any hotel management agreement in relation to the Tower Hotel and such additional accounts as required by the Facility Agent or the Joint Lead Arrangers and agreed to by the Issuer for purposes of the Merdeka ASEAN Green SRI Sukuk Programme and the relevant Designated Accounts under the Merdeka Sukuk *Murabahah* Programme;

(xvi) **Extension of completion date under JDA:** The Issuer will not and shall procure the Project Manager and the respective Project Companies do not extend or agree to extend the Completion date under the JDA except for:

(a) extension pursuant to force majeure events in accordance with the terms of the JDA; or

(b) extension of the Completion date for the Project:

(1) which does not exceed eighteen (18) months from the original completion date of 30 June 2021 for the Project (other than Service Apartments) and 30 June 2025 for the Service Apartments; and

(2) no Event of Default has occurred and is subsisting at the time of such extension;

(xvii) **Project Documents:** In relation to the JDA, the Power of Attorney (as defined below under the item entitled "Definitions-Power of Attorney"), the SPA(s) (as defined below under the item entitled "Definitions-SPA(s)"), the MLA (as defined below under the item entitled "Definitions-MLA") and the Office Tower Lease, the Issuer shall not and shall procure the Project Companies do not:

(a) amend or supplement or agree to amend or supplement any provision of any of the said Project Documents;

(b) cancel, rescind or otherwise terminate such Project Documents;

(c) accept or agree to accept any repudiation or purported repudiation of any other

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party to such Project Documents;

(d) grant any waiver or indulgence to the other party to such Project Documents; or
(e) do or omit to do any act or execute or omit to execute any document which may render any of the said Project Documents to be illegal, void, voidable or unenforceable,

and in relation to all other Project Documents (other than the JDA, the Power of Attorney, the SPA(s), the MLA and the Office Tower Lease), the Issuer shall not and shall procure the Project Companies do not:

- (1) amend or supplement or agree to amend or supplement any provision of any of the said Project Documents;
- (2) cancel, rescind or otherwise terminate such Project Documents;
- (3) accept or agree to accept any repudiation or purported repudiation of any other party to such Project Documents;
- (4) grant any waiver or indulgence to the other party to such Project Documents; or
- (5) do or omit to do any act or execute or omit to execute any document which may render any of the said Project Documents to be illegal, void, voidable or unenforceable,

which may have a Material Adverse Effect;

(xviii) The Issuer shall not utilise or allow the utilisation of the proceeds from the Merdeka ASEAN Green SRI Sukuk for any purposes other than for the purposes set out in the Issue Documents, which shall be Shariah-compliant; and

(xix) Such other negative covenants as required for purposes of compliance with the SC's Trust Deeds Guidelines and as may be advised by the Solicitors, the Joint Lead Arrangers and agreed by the Issuer.

Financial Covenants

The Issuer shall maintain the following financial covenants at all times:

(i) **FSCR During Operation:** A FSCR of at least 1.25 times commencing from the first full year of operations of the Office Tower.

"FSCR" is a ratio of:

The sum of:

- (a) Opening cash balance of CA 1 (including total opening balances in the FSRA 1 and OA 1 and those amount invested under Permitted Investment (as stated in the item entitled "Permitted Investments")); and
 - (b) EBITDA (as defined below under the item entitled "Definitions-EBITDA") of the Office Tower minus taxes,
- divided by: The sum of (i) principal amount maturing and (ii) profit payments due and payable in the financing year.

Provided that the principal amount due in respect of the Merdeka ASEAN Green SRI Sukuk Programme in the financial year upon which the final maturity date fall shall not be taken into account in computing the FSCR;

(ii) **Finance to Equity Ratio ("FE Ratio"):** FE Ratio of not more than 70:30 throughout the tenure of the Merdeka ASEAN Green SRI Sukuk Programme and

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the Merdeka Sukuk *Murabahah* Programme.

The FE Ratio is a ratio of:

Total External Debt / Total Equity

where, “**Total External Debt**” is defined as total financing (including the Merdeka ASEAN Green SRI Sukuk, the Merdeka Sukuk *Murabahah* and any other form of financing) obtained by the Issuer; and

“**Total Equity**” refers to the shareholders’ funds of the Issuer (including any form of shareholders/related parties advances and/or junior debt subordinated to the Merdeka ASEAN Green SRI Sukuk and the Merdeka Sukuk *Murabahah* such as ordinary shares, preference shares, loan stocks, subordinated debt and/or any form of equity instruments).

The FE Ratio and FSCR shall be certified/ confirmed by one (1) authorised director of the Issuer based on the following:

- (a) Six (6)-month and twelve (12)-month unaudited financial statements, within ninety (90) days from the end of the financial period, to be supported by a copy of the draft unaudited financial statements; and
- (b) Full year audited financial statements within one hundred and eighty (180) days from the end of the financial year to be supported by the relevant financial report.

Information Covenants

(i) The Issuer shall deliver to the Facility Agent and the Sukuk Trustee:

(a) annually a certificate signed by one (1) director of the Issuer stating that the Issuer has complied with all its obligations under the relevant Issue Documents and the terms and conditions of the Merdeka ASEAN Green SRI Sukuk and that there did not exist or had not existed, from the date of issuance of the Merdeka ASEAN Green SRI Sukuk or from the date of the previous certificate, as the case may be, any Event of Default, and if such is not the case, to specify the same and steps being taken, if any, to remedy the same;

(b) a copy of its annual audited consolidated financial statements (which shall contain a profit and loss account, a balance sheet and a cash flow statement) audited and certified without qualification by an external auditor within one hundred and eighty (180) days after the end of each of its financial year;

(c) a copy of its unaudited half yearly consolidated financial statements prepared in accordance with generally accepted accounting principles and standards in Malaysia within one hundred and twenty (120) days after the end of each first half of its financial year; and

(d) as soon as practicable, any other accounts, report, notice, statement or circular issued by the Issuer to its shareholders;

(ii) The Issuer shall immediately notify the Facility Agent and the Sukuk Trustee in the event that the Issuer becomes aware of the following:

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- (a) any Event of Default;
- (b) the happening of any event that has caused or could cause, one or more of the following:
 - (1) any amount payable under the Merdeka ASEAN Green SRI Sukuk to become immediately payable;
 - (2) the Merdeka ASEAN Green SRI Sukuk to become immediately enforceable; or
 - (3) any other right or remedy under the terms, provisions or covenants of the Merdeka ASEAN Green SRI Sukuk or the Trust Deed to become immediately enforceable;
- (c) of any circumstance that has occurred that would materially prejudice the Issuer, the Project Companies, PNB (as the guarantor under the Completion Guarantee) or any security included in or created by the Merdeka ASEAN Green SRI Sukuk or the Trust Deed (where applicable);
- (d) any substantial change in the nature of the business of the Issuer, the Project Companies or PNB (as the guarantor under the Completion Guarantee);
- (e) any change in the name of the Project Companies or PNB (as the guarantor under the Completion Guarantee);
- (f) of any cessation of liability of the Project Companies or PNB (as the guarantor under the Completion Guarantee) (where applicable) for the payment of the whole or part of the moneys for which they were liable under the Security Documents or the Completion Guarantee respectively;
- (g) any change in the utilisation of proceeds from the Merdeka ASEAN Green SRI Sukuk other than for the purposes stipulated in the Issue Documents, the Information Memorandum or any agreement entered into in connection with the issue, offer or invitation which sets out a specific purpose for which proceeds are to be utilised;
- (h) any change in the Issuer's withholding tax position or tax jurisdiction; and/or
- (i) any other matter that may materially prejudice the interest of the Sukukholders;
- (iii) The Issuer shall provide annual reporting and the external review on the annual reporting, if any, through a website designated by the Issuer and/or annual reports, to the Sukukholders throughout the tenure of the Merdeka ASEAN Green SRI Sukuk Programme on the following:
 - (a) the original amount earmarked for the Eligible SRI Project (as described in item entitled "Definitions-Eligible SRI Project");
 - (b) the amount utilised for the Eligible SRI Project;
 - (c) the unutilised amount and where such unutilised amount is placed or invested pending utilisation; and
 - (d) where feasible and to the extent possible, the impact objectives from the Eligible SRI Project;
- (iv) The Issuer shall make the following publicly available on a website designated by the Issuer:

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- (a) the process for project;
- (b) the use of proceeds; and
- (c) external review report on the process (if any);

(v) The Issuer shall appoint an auditor or other third party to verify the Issuer's management of proceeds and ensure that the report produced by the auditor or other third party be made publicly available on a website designated by the Issuer; and

(vi) The Issuer shall clearly communicate to the Sukukholders on the:

- (a) environmental sustainability objectives;
- (b) the process by which the Issuer determines how the Eligible SRI Project fits within the eligible Green Projects category set out in the ASEAN GBS; and
- (c) the related eligibility criteria, including, if applicable the exclusion criteria or any other process applied to identify and manage potentially material environmental and social risk associated with the Eligible SRI Project;

(vii) The Issuer shall provide to the Sukukholders on an annual basis, information on the use of the proceeds, and as necessary thereafter in the event of any material developments;

(viii) **Changes in Board of Directors and/or Chief Executive Officer:** The Issuer shall immediately notify the Sukuk Trustee and the Facility Agent in writing of any change in its board of directors and/or chief executive officer (or equivalent);

(ix) **Delivery of documents relating to the Project:** The Issuer and/or the Project Companies shall within thirty (30) days of being requested to do so by the Facility Agent or the Sukuk Trustee, deliver to the Facility Agent or the Sukuk Trustee a certified true copy of any material documents related to the Project, entered into or executed by or on its behalf and furnish any information relating to the Project as the Facility Agent may reasonably request from time to time;

(x) **Project Documents:** The Issuer and/or the Project Companies shall inform the Facility Agent and the Sukuk Trustee in the event:

- (a) any of the Project Documents is terminated for any reason whatsoever;
- (b) any breach of, or an event of default under, any of the provision of the Project Documents upon it becoming aware of the same; and
- (c) the actions, if any, to be taken by any party in respect of the breach or event of default referred to in sub-paragraph (x)(b) above,

which will have a Material Adverse Effect;

(xi) **Environmental claims:** The Issuer and/or the Project Companies shall notify the Facility Agent and the Sukuk Trustee in writing upon becoming aware of:

- (a) any Environmental Claim (as defined below under the item entitled "Definitions-Environmental Claim") pertaining to the Project or any part thereof;
- (b) any communication received by it in respect of any actual or alleged breach of or liability under Environmental Law pertaining to the Project or any part thereof; or
- (c) any facts or circumstances which shall or are reasonably likely to result in any Environmental Claim pertaining to the Project or any part thereof;

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which, if substantiated, might have a Material Adverse Effect; and

(xii) Such other information covenants as required under the SC's Trust Deeds Guidelines and as may be advised by the Solicitors, the Joint Lead Arrangers and agreed by the Issuer.

(22) Details of designated account, if applicable :

Name of account:
Proceeds Account 1

Parties responsible for opening the account:
Issuer.

Parties responsible for maintaining/operating account:
Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Signatories to account:
Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Sources of funds:
The following shall be deposited into the Proceeds Account 1:

- (a) the proceeds from the Merdeka ASEAN Green SRI Sukuk Programme;
- (b) any forms of equity contributions (minus the land acquisition cost of Parcel 6 Titles for purposes of developing the Office Tower of approximately Ringgit Malaysia One Hundred Twenty One Million Eight Hundred Eighteen Thousand Four Hundred and Ninety Four (RM121,818,494.00) that have been fully paid and all initial development and construction costs of the Office Tower and its ancillary costs prior to the date of opening the Proceeds Account 1);
- (c) any amount or payment or contribution required from PNB, pursuant to its obligations under the Completion Guarantee; and
- (d) the Facilitation Fund Proceeds (as defined below under the item entitled "Facilitation Fund") received prior to the Scheduled Completion Date (excluding Service Apartments) or the Extended Completion Date (excluding Service Apartments) as the case may be.

Utilisation of funds:
The proceeds deposited in the Proceeds Account 1 shall only be utilised for the intended purposes as follows:

- (a) firstly, towards payment of one-off fees and expenses and transfer to the PEA 1 (as defined hereinafter) to fund recurring fees and expenses (excluding fees for the

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Completion Guarantee to PNB), incidental to the establishment of the Merdeka ASEAN Green SRI Sukuk Programme including the fees and charges in relation to the FSRA BG (as defined hereinafter).

For the avoidance of doubt, proceeds from the first issuance of the Merdeka ASEAN Green SRI Sukuk under the Merdeka ASEAN Green SRI Sukuk Programme shall be utilised towards payment of one-off fees, and expenses incidental to the establishment of the Merdeka ASEAN Green SRI Sukuk Programme;

(b) secondly, to transfer to the PA 1 (as defined hereinafter) to fund the construction and development costs of the Office Tower and Office Tower Infrastructure Works (as defined below under the item entitled "Definitions-Office Tower Infrastructure Works") and upon closure of the PA 1 to the CA 1 (as defined hereinafter);

(c) thirdly, to transfer to the PEA 1 to fund the profit payments under the Merdeka ASEAN Green SRI Sukuk Programme during the construction of the Office Tower and initial operating period; and upon closure of the PEA 1 to the CA 1;

(d) fourthly, to transfer to the FSRA 1 (as defined herein) to meet the FSRA Minimum Required Balance (as defined hereinafter); and

(e) fifthly, to transfer to the PEA 1 to fund the Completion Guarantee fee (on a proportionate basis) to PNB, during the construction period.

For the avoidance of doubt, the payment of the Completion Guarantee fee (on a proportionate basis) to PNB which are not paid for the relevant year shall be accumulated to the following year. Failure to pay the Completion Guarantee fee does not constitute an Event of Default.

Monies kept in the Proceeds Account 1 are allowed for making Permitted Investments (as stated in the item entitled "Permitted Investments").

(23) Details of
designated account,
if applicable

Name of account:
Project Account 1 ("PA 1")

Parties responsible for opening the account:
Issuer.

Parties responsible for maintaining/operating account:
Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Signatories to account:
Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

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Sources of funds:

The following shall be deposited into the PA 1:

- (a) proceeds transferred from the Proceeds Account 1 to meet the construction and development costs for the Office Tower and Office Tower Infrastructure Works;
- (b) proceeds from *takaful*/insurance claims and any claims in respect of third party performance bonds and/or guarantees in relation to the Office Tower and Office Tower Infrastructure Works;
- (c) all compensation and damages in relation to the Office Tower and Office Tower Infrastructure Works; and
- (d) all other cash flows to which PNBMV is legally and beneficially entitled in connection with the Office Tower and Office Tower Infrastructure Works, which are not required to be deposited into any other Designated Accounts.

Utilisation of funds:

For so long as there is no occurrence of an Event of Default, the proceeds in the PA 1 shall be utilised to transfer to the OA 1 (as defined herein) to part finance the construction costs of the Office Tower and Office Tower Infrastructure Works, subject to the receipt by the Security Agent of the following in form and substance acceptable to the Security Agent with respect to the amount to be transferred:

- (a) certificate of work done and/or progress billings duly certified/verified by the Project Management Consultant ("**PMC**") in relation to the Office Tower and Office Tower Infrastructure Works; and
- (b) the invoices with respect to claims made by the project consultants/contractors and relevant authorities in relation to the Office Tower and Office Tower Infrastructure Works.

For the avoidance of doubt, the certification of work done and/or progress billings duly certified/verified by the PMC shall be in line with the construction cost and timeline estimate provided by the PMC and duly accepted by the Project Manager.

Upon the occurrence of an Event of Default, payments will be made in accordance with the instructions of the Security Agent.

Upon Completion of the Office Tower, all surplus monies will be transferred to the CA 1, and the PA 1 will be closed.

Monies kept in the PA 1 are allowed for making Permitted Investments.

(24) Details of :
designated account,
if applicable

Name of account:

Profit and Expense Account 1 ("PEA 1")

Parties responsible for opening the account:
Issuer.

Parties responsible for maintaining/operating account:

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Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Signatories to account:

Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Sources of funds:

Proceeds transferred from the Proceeds Account 1.

Utilisation of funds:

The proceeds deposited in the PEA 1 shall only be utilised for the intended purposes as follows:

(a) firstly, to pay the recurring fees and expenses (excluding the Completion Guarantee fee to PNB) incidental to the establishment of the Merdeka ASEAN Green SRI Sukuk Programme including the fees and charges in relation to the FSRA BG;

(b) secondly, to pay the profit payments under the Merdeka ASEAN Green SRI Sukuk Programme, during the construction of the Office Tower and transfer to FSA 1 for profit payments during the initial operating period; and

(c) thirdly, to pay Completion Guarantee fee (on a proportionate basis) to PNB, during the construction period.

For the avoidance of doubt, the payment of the Completion Guarantee fee (on a proportionate basis) to PNB which are not paid for the relevant year shall be accumulated to the following year. Failure to pay the Completion Guarantee fee does not constitute an Event of Default.

Upon Completion of the Office Tower and the Office Tower being operational, all surplus monies will be transferred to the CA 1, and the PEA 1 will be closed.

Monies kept in the PEA 1 are allowed for making Permitted Investments.

(25) Details of :
designated account,
if applicable

Name of account:

Collection Account 1 ("CA 1")

Parties responsible for opening the account:

Issuer. Note: The CA 1 shall be opened at least one (1) month prior to the Scheduled Completion Date.

Parties responsible for maintaining/operating account:

Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

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Signatories to account:

Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Sources of funds:

The Issuer shall deposit all monies including but not limited to the following into the CA 1:

- (a) surplus/balance from the PA 1 upon closure of the PA 1;
- (b) surplus/balance from the PEA 1 upon closure of the PEA 1;
- (c) the net lease rentals (excluding the service maintenance and/or other costs component which shall be deposited into the OA 1) from PNB pursuant to the Office Tower Lease;
- (d) other income/revenues from the Office Tower;
- (e) the Facilitation Fund Proceeds received on or after the Scheduled Completion Date (excluding Service Apartments) or the Extended Completion Date (excluding Service Apartments) as the case may be;
- (f) proceeds from *takafull* insurance claims and any claims in respect of third party performance bonds and/or guarantees in respect of the Office Tower;
- (g) all compensation and damages in relation to the Office Tower;
- (h) surplus/balance from OA 1; and
- (i) all other income/revenues to which PNBMV is legally and beneficially entitled in connection with the Office Tower.

For the avoidance of doubt, upon the occurrence of an Event of Default or potential Event of Default, all gross cashflow generated from the Office Tower are to be deposited into the CA 1.

Utilisation of funds:

Monies in the CA 1 shall be withdrawn and utilised in the following order of priority:

- (a) firstly, towards payment of annual recurring fees (excluding the Completion Guarantee fee to PNB) incidental to the establishment of the Merdeka ASEAN Green SRI Sukuk Programme and expenses in relation to the Merdeka ASEAN Green SRI Sukuk Programme (including without limitation the fees and charges in relation to the FSRA BG and recurring fees to Security Agent, Sukuk Trustee, and other professional fees to advisers or agents, if applicable);
- (b) secondly, transfer to the FSA 1 so as to meet Scheduled Profit Amount (as defined below under the item entitled "Definitions-Scheduled Profit Amount") and/or the Principal Payment Amount under the Merdeka ASEAN Green SRI Sukuk Programme in accordance to the terms set out under FSA 1;
- (c) thirdly, transfer to OA 1 to fund the payment for all operating, management and any other maintenance expenditure of the Office Tower (other than obligations of

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PNB under the MLA);

(d) fourthly, transfer to the FSRA 1 to top up any shortfall so as to meet the FSRA Minimum Required Balance (as defined herein);

(e) fifthly, towards refund of deposit under the Office Tower Lease and/or set-off of deposit against payment due under the Office Tower Lease;

(f) sixthly, transfers to the OA 1 to fund any shortfall in the OA 1 subject to such transfer being approved by the Facility Agent; and

(g) lastly, to pay the Completion Guarantee fee (on a proportionate basis) to PNB, upon closure of PEA 1.

For the avoidance of doubt, in the event there is insufficient funds in the CA 1 to pay the Completion Guarantee fee (on a proportionate basis) to PNB, the amount for the Completion Guarantee fee to PNB which is not paid for the relevant year shall be accumulated to the following year. Failure to pay the Completion Guarantee fee does not constitute an Event of Default.

Monies kept in the CA 1 are allowed for making Permitted Investments.

(26) Details of :
designated account,
if applicable

Name of account:
Finance Service Account 1 ("FSA 1")

Parties responsible for opening the account:

Issuer. Note: The FSA 1 shall be opened at least one (1) month prior to the Scheduled Completion Date.

Parties responsible for maintaining/operating account:

Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Signatories to account:

Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Sources of funds:

Monies from CA 1, PEA 1, OA 1 and proceeds received from the refinancing exercise of the Merdeka ASEAN Green SRI Sukuk Programme.

Utilisation of funds:

The credit balances in the FSA 1 will be used to service the Scheduled Profit Amount and the Principal Payment Amount (as defined below under the item entitled "Definitions-Principal Payment Amount") due under the Merdeka ASEAN Green SRI Sukuk on each Periodic Payment Date (as defined below under the item entitled "Definitions-Periodic Payment Date").

The Issuer shall undertake to ensure that an amount equivalent to the next

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Scheduled Profit Amount and Principal Payment Amount (save for the Scheduled Profit Amount and/or Principal Payment Amount which shall be funded via the refinancing exercise of the Merdeka ASEAN Green SRI Sukuk Programme) due shall be built up and deposited in the FSA 1 as follows:

Months prior to the Periodic Payment Date	Cumulative Amount to be built up
6	15%
5	30%
4	45%
3	60%
2	75%
1	100%

In the event that one (1) month prior to each Periodic Payment Date, the balance held in the FSA 1 is insufficient to meet the Scheduled Profit Amount and/or the Principal Payment Amount due under the Merdeka ASEAN Green SRI Sukuk, transfer from the FSRA 1 and OA 1 will be made to meet the shortfall.

Monies kept in the FSA 1 are allowed for making Permitted Investments.

(27) Details of
designated account,
if applicable

: Name of account:
Operation Account 1 ("OA 1")

Parties responsible for opening the account:
Issuer.

Parties responsible for maintaining/operating account:
Prior to the occurrence of an Event of Default or potential Event of Default - Issuer.
Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Signatories to account:
Prior to the occurrence of an Event of Default or potential Event of Default - Issuer.
Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Sources of funds:
The following shall be deposited into the OA 1:

(a) During construction phase, transfers from the PA 1 into the OA 1 to finance the construction and development costs of the Office Tower and Office Tower Infrastructure Works, as specified under item (a) below; and

(b) During the operating period, half-yearly transfers from the CA 1 in accordance with the semi-annual operating expenditure budget for the Office Tower (other than obligations of PNB under the MLA), including payment of/setting aside amount for taxes due. The semi-annual operating expenditure budget prepared by the Issuer shall be approved by the Facility Agent including such other payments not accounted in the semi-annual operating expenditure budget as may be requested

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by the Issuer and from OA 1. The funds in the OA 1 can only be utilised for the purpose stated above and any excess thereafter shall be utilised for the purposes as set out in item (b) below.

Utilisation of funds:

Funds in the OA 1 shall be used for the following purposes:

(a) During construction phase, payment of the construction and development costs of the Office Tower and Office Tower Infrastructure Works.

(b) Post-completion, payment will be withdrawn in accordance with the semi-annual operating expenditure budget, including such other approved payments not accounted in the semi-annual operating expenditure budget and any excess funds in the OA 1 shall be utilised as follows:

(1) transfer to FSA 1 to top up the Scheduled Profit Amount and/or the Principal Payment Amount due under the Merdeka ASEAN Green SRI Sukuk;

(2) transfer to the FSRA 1 to top up the FSRA Minimum Required Balance;

(3) refund of deposits collected and/or set-off of deposit against payment due from the lessees/tenants/ licensees (except deposit for the Office Tower Lease); and

(4) transfer of remaining balance to the CA 1 (after taking into account the projected semi-annual operating expenditure of the Issuer for the next six (6) months based on the list of semi-annual operating expenditure prepared by the Issuer).

The transfer of the remaining balance from the OA 1 to the CA 1 referred to in subparagraph (b)(4) above shall be made on a half yearly basis but if at any time, the balance in the CA 1 is insufficient to pay for the cash outflows referred to in subparagraphs (a) to (g) under CA 1, the Issuer shall transfer such amount as may be required from the OA 1 to the CA 1 in a timely manner to cover such shortfall in the CA 1 (irrespective of whether the transfer on a half-yearly basis is due to be made).

The list of semi-annual operating expenditure shall be furnished to the Facility Agent semi-annually, sixty (60) days in advance by the Issuer.

Monies kept in the OA 1 are allowed for making Permitted Investments.

(28) Details of designated account, if applicable :

Name of account:
Finance Service Reserve Account 1 ("FSRA 1")

Parties responsible for opening the account:

Issuer. Note: The FSRA 1 shall be opened at least one (1) month prior to the Scheduled Completion Date.

Parties responsible for maintaining/operating account:

Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of

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Default - Security Agent.

Signatories to account:

Prior to the occurrence of an Event of Default or potential Event of Default - Security Agent. Upon occurrence of an Event of Default or potential Event of Default - Security Agent.

Sources of funds:

The funds in the FSRA 1 shall be transferred from the Proceeds Account 1, CA 1 and/or OA 1 upon Completion of the Office Tower in accordance with the terms as stated below.

The initial deposit equivalent to an amount payable for the Scheduled Profit Amount ("**FSRA Minimum Required Balance**") shall be deposited into the FSRA 1 at least fourteen (14) days prior to the Scheduled Completion Date and maintained therein throughout the tenure of the Merdeka ASEAN Green SRI Sukuk Programme.

Utilisation of funds:

Funds in the FSRA 1 may be withdrawn to the extent that funds in the FSA 1 are insufficient to meet the Scheduled Profit Amount and Principal Payment Amount on any Periodic Payment Date. In the event that the balance held in the FSRA 1 is less than the FSRA Minimum Required Balance, the Issuer shall replenish the shortfall so as to comply with the FSRA Minimum Required Balance within fourteen (14) days from the day the balance held in the FSRA 1 is less than the FSRA Minimum Required Balance.

The Issuer may also provide an irrevocable, unconditional and unsecured bank guarantee payable on demand, issued by a AAA-rated licensed financial institution by rating agency(ies) or its equivalent ("**FSRA BG**") in favour of the Security Agent for an amount equivalent to the FSRA Minimum Required Balance in lieu of the monies to be deposited in the FSRA 1.

The requirement to meet the FSRA Minimum Required Balance can be in the form of cash or FSRA BG or a combination of both.

Monies kept in the FSRA 1 may be allowed for making Permitted Investments.

(29) Name of credit rating:
agency, credit rating
and amount rated, if
applicable

Not rated

(30) Conditions
precedent

: Conditions precedent to the satisfaction of the Joint Lead Arrangers, which shall include but not limited to the following:

A. Main Documentation

(i) Issue Documents (save for the Office Tower Land Charge and the Parcel 6

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Titles NLC Charge in relation to the Lot 746 (P6 Portion)) have been signed and where applicable, stamped or exempted and presented for registration;

(ii) Evidence that the relevant forms as prescribed under the Companies Act 2016 in respect of the security interest created by the Security Documents (save and except for the Office Tower Land Charge) and the Shared Security Documents (save and except for the Parcel 6 Titles NLC Charge in relation to the Lot 746 (P6 Portion)), have been duly executed and duly lodged with the Companies Commission of Malaysia;

(iii) Evidence that the relevant Security Documents and the Shared Security Documents, shall have been presented to the relevant High Court of Malaya for registration of the power of attorney clauses contained therein;

(iv) The Issuer shall ensure and shall procure the Parcel 6 Titles NLC Charge (other than Lot 746 (P6 Portion) is presented for registration with the relevant land office/registry; and

(v) All relevant notices of assignment, consents and acknowledgments including the consent from the Pendaftar Hakmilik Tanah Wilayah Persekutuan to create the Parcel 6 Titles NLC Charge (if applicable) (other than the Parcel 6 Titles NLC Charge in relation to Lot 746 (P6 Portion)), required in relation to the relevant Security Documents (save for the notice of assignments pursuant to the Assignment of Office Tower Proceeds) and the Shared Security Documents.

B. The Issuer, PNB and the Project Companies

(i) The following documents certified as a true and correct copy by the company secretary of the Issuer, PNB and the Project Companies respectively:

- (a) Certificate of Incorporation and the constitution;
- (b) Latest Return for Allotment of Shares, Notification for Change in the Registered Address, Notification of Change in the Register of Directors, Managers and Secretaries;
- (c) Board resolutions authorising, amongst others, the establishment and acceptance of Merdeka ASEAN Green SRI Sukuk Programme, the issuance of the Merdeka ASEAN Green SRI Sukuk under the Merdeka ASEAN Green SRI Sukuk Programme and the Issuer's, PNB's and the Project Companies' execution of the relevant Issue Documents to which the Issuer, PNB and/or the Project Companies are a party; and
- (d) A certified true copy of board resolutions of the relevant security party authorising, among others, the creation of the security over the Security Documents and the Shared Security Documents, as the case may be, and the execution of the Security Documents and the Shared Security Documents to which it is a party;

(ii) List of authorised signatories and their respective specimen signatures;

(iii) All necessary corporate or other approvals, authorisations, consents and licenses (regulatory or otherwise) for the establishment of Merdeka ASEAN Green SRI Sukuk Programme including the consents from the existing financiers (if any)

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in relation to the execution of the Security Documents and the Shared Security Documents, shall have been obtained and are in full force and effect; and

(iv) Relevant document/form acceptable to the Joint Lead Arrangers to evidence that the issued and paid-up capital of PNBMV is not less than Ringgit Malaysia Five Million (RM5,000,000.00).

C. General

(i) Receipt of confirmation from the Shariah Adviser that the structure and mechanism together with the Issue Documents are in compliance with Shariah principles;

(ii) Receipt of the endorsement from the SAC of the SC in respect of Merdeka ASEAN Green SRI Sukuk Programme;

(iii) Receipt of the acknowledgements in respect of the Lodgement for Merdeka ASEAN Green SRI Sukuk Programme have been obtained in accordance with the provisions of the Guidelines on LOLA Framework;

(iv) Receipt of satisfactory legal opinion from the Solicitors, to be addressed to the Principal Adviser and Joint Lead Arrangers confirming, among others, the legality, validity and enforceability of the Issue Documents and confirmation that all conditions precedent in relation to Merdeka ASEAN Green SRI Sukuk Programme have been fulfilled or waived;

(v) Receipt of a report on cashflow projections from a reporting accountant of which is satisfactory to the Principal Adviser and Joint Lead Arrangers;

(vi) The results of the company search and winding up search conducted on the Issuer, the Project Companies and PNB being satisfactory to the Joint Lead Arrangers or in lieu thereof, the relevant statutory declarations in form and substance acceptable to the Joint Lead Arrangers;

(vii) Land search results conducted on the Parcel 6 Titles, Lot 746 (P6 Portion) and the Kawasan Lapang at the relevant land office being satisfactory to the Joint Lead Arrangers;

(viii) Evidence that all fees, costs and expenses in relation to the Merdeka ASEAN Green SRI Sukuk Programme have been or will be paid in full from the proceeds of the Merdeka ASEAN Green SRI Sukuk and/or by the Issuer;

(ix) Receipt of evidence that the Designated Accounts (save and except for FSRA 1, FSA 1 and CA 1) and such additional accounts as required by the Joint Lead Arrangers and agreed to by the Issuer for purposes of Merdeka ASEAN Green SRI Sukuk Programme have been opened in accordance with the terms set out herein;

(x) Receipt of evidence that the Trustees' Reimbursement Account (as stated in the section entitled "Other Terms and Conditions-(c) Trustees' Reimbursement Account) has been opened and the Trustee has been appointed as the sole signatory of the Trustees' Reimbursement Account and a sum of Ringgit Malaysia Thirty Thousand (RM30,000.00) has been deposited into the Trustees'

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Reimbursement Account;

(xi) Receipt of an irrevocable letter of undertaking from PNBMV that the refinancing exercise for the Merdeka ASEAN Green SRI Sukuk Programme to be concluded three (3) months prior to the maturity date of the Merdeka ASEAN Green SRI Sukuk Programme;

(xii) Evidence that the conditions precedent under the Merdeka Sukuk *Murabahah* Programme (save for the conditions precedent requiring the conditions precedent under the Merdeka ASEAN Green SRI Sukuk Programme to be fulfilled) have been fulfilled and/or waived and duly confirmed by the Solicitors; and

(xiii) Evidence of the completion of satisfactory legal due diligence exercise on the Issuer, Project Companies and Guarantor and the receipt of the legal due diligence report by the Principal Adviser / Joint Lead Arrangers from the Solicitors.

D. The Project

(i) Execution of the Completion Guarantee by the PNB in favour of the Security Agent;

(ii) Execution of the MLA;

(iii) Execution of statutory declaration by PNBMV to confirm that PNBMV which is a wholly-owned subsidiary of PNB, is establishing the Merdeka ASEAN Green SRI Sukuk Programme for the construction of the Office Tower which forms part of the development on Parcel 6, wherein the Office Tower will be used for PNB's and PNBMV's own business use;

(iv) All relevant statutory fees and conversion premiums in relation to the Parcel 6 Titles have been paid (if applicable);

(v) A certified true copy of the agreement for the acquisition/transfer of Lot 746 (P6 Portion) which has been signed by all parties and evidence that all conditions precedent for the transfer of Lot 746 (P6 Portion) to PNBMV have been met and where completed, evidence that Lot 746 (P6 Portion) has been transferred to and registered in the name of PNBMV or where the agreement for the acquisition/transfer of Lot 746 (P6 Portion) has not been finalised and executed, such other evidence acceptable to the Joint Lead Arrangers to evidence the arrangement/agreement between PNBMV and the registered proprietor of Lot 746 for the proposed acquisition/transfer of Lot 746 (P6 Portion) to PNBMV;

(vi) A confirmation from a director or the Chief Executive Officer of the Issuer, pertaining to the execution of the Facilitation Fund agreement entered into between the Government of Malaysia, Bank Pembangunan Malaysia Berhad and PNBMV in relation to the Project;

(vii) Receipt of a copy of the following valuation reports (valuation period must not exceed six (6) months from the proposed issue date) addressed to the Joint Lead Arrangers and Security Agent from a licensed valuer acceptable to the Joint Lead Arrangers and the Security Agent on the Parcel 6 Titles on an as-is-where-is basis

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of not less than Ringgit Malaysia One Billion Two Hundred and Seventy Million (RM1,270,000,000);

(viii) Receipt of original/certified true copies (as may be required by the Joint Lead Arrangers) of the JDA, Supplemental JDA, SPAs and other documents assigned/charged as security and any other documents in relation to the Project as may be specified by the Joint Lead Arrangers;

(ix) Receipt of a second opinion on the Issuer's Green Sukuk Framework in relation to the Eligible SRI Project from the Center for International Climate and Environmental Research – Oslo ("**CICERO**");

(x) Legal opinion from the Issuer's legal counsel with respect to the legality, validity and enforceability of the JDA, the Power of Attorney, the SPA(s), the MLA and the Office Tower Lease (executed and dated as at the date of the opinion); and

(xi) Such other conditions precedent as may be advised by the Solicitors and mutually agreed between the Joint Lead Arrangers and the Issuer.

The Conditions Precedent may be waived by the Joint Lead Arrangers in whole or in part at its sole and absolute discretion with or without terms or conditions and without prejudicing the rights of the Joint Lead Arrangers to assert such terms and conditions in respect of utilisation of the Merdeka ASEAN Green SRI Sukuk.

Conditions subsequent

(i) The Parcel 6 Titles NLC Charge shall be presented for registration with the relevant land office within ninety (90) days from issuance of a single title to Parcel 6;

(ii) The Office Tower Land Charge shall be presented for registration with the relevant land office within ninety (90) days from issuance of the Office Tower Strata Title;

(iii) Lot 746 (P6 Portion) has been transferred and registered in the name of PNBMV within four (4) years from the first issuance of Merdeka ASEAN Green SRI Sukuk or such other later date as may be determined by the Sukukholders by Special Resolution and (unless the Lot 746(P6 Portion) title is required to be surrendered or delivered to the relevant land authority for the issuance of a single title to Parcel 6), a land charge over the Lot 746(P6 Portion) title shall be presented for registration with the relevant land office within three (3) months from the date Lot 746 (P6 Portion) has been transferred and registered in the name of the Issuer or such other later date as may be determined by the Sukukholders by Special Resolution;

(iv) The FSA 1, FSRA 1, CA 1 and such additional accounts as required by the Joint Lead Arrangers and agreed to by the Issuer for purposes of Merdeka ASEAN Green SRI Sukuk Programme shall have been opened in accordance with the terms set out herein at least one (1) month prior to the Scheduled Completion Date;

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(v) Delivery to the Joint Lead Arrangers and Security Agent of valuation report conducted by panel of valuers acceptable to the Joint Lead Arrangers and Security Agent every three (3) years after Completion date of the Project (excluding the Service Apartments);

(vi) Delivery to the Joint Lead Arrangers evidence that the Issuer has disclosed on a website designated by the Issuer the process established by the Issuer for project evaluation, the use of proceeds and the external review report of the process (if any); and

(vii) Such other conditions subsequent as may be advised by the Solicitors and mutually agreed between the Joint Lead Arrangers and the Issuer.

Issuance Conditions

The issuance conditions of the Merdeka ASEAN Green SRI Sukuk under the Merdeka ASEAN Green SRI Sukuk Programme shall be conditional upon, among others:

(i) the delivery of an issue request under the Merdeka ASEAN Green SRI Sukuk Programme to the Facility Agent and the nominal value of the Merdeka ASEAN Green SRI Sukuk to be issued under the issue request thereunder not exceeding the programme size in accordance with the requisite form;

(ii) the maturity date of the Merdeka ASEAN Green SRI Sukuk to be issued under the issue request not extending beyond the tenure of the Merdeka ASEAN Green SRI Sukuk Programme;

(iii) certified true copies of all relevant approvals (including layout and building plans) issued in respect of the Office Tower being financed by the Merdeka ASEAN Green SRI Sukuk Programme;

(iv) all representations and warranties in the Issue Documents remain true and correct in all material respects;

(v) no Event of Default or potential Event of Default has occurred or will occur as a result of the issuance of the Merdeka ASEAN Green SRI Sukuk; and

(vi) evidence that the FE Ratio has not exceeded 70:30 on an aggregate basis and will not so exceed after the issuance of the Merdeka ASEAN Green SRI Sukuk.

(31) Representations and warranties

The representations and warranties shall include but is not limited to the following:

(i) **Status:** The Issuer and the Project Companies are duly incorporated and validly existing under the laws of Malaysia and:

(a) have full power to own their respective properties and assets and carry on their respective businesses as they are being conducted; and

(b) are capable of being sued in their respective own right;

(ii) **Powers and Authorisations:** The constitution of the Issuer and the Project

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Principal Terms and Conditions

Companies incorporate the following provisions:

(a) the Issuer and the Project Companies have the power to execute, deliver and perform their respective obligations under the Issue Documents to which it is a party; and

(b) all necessary action have been taken to authorise the execution, delivery and performance of obligations by the Issuer and the Project Companies respectively under the Issue Documents to which it is a party;

(iii) **Litigation:** Save as disclosed in the Information Memorandum and/or disclosed in writing to the Facility Agent and the Joint Lead Arrangers prior to the date of execution of the Issue Documents, there is no litigation, arbitration, administrative proceedings, claims or disputes which is presently in progress or pending or to the Issuer's and the Project Companies' knowledge, threatened against the Issuer and the Project Companies;

(iv) **Financial Statements:** The Issuer's and the Project Companies' financial statements have been prepared on a basis consistently applied in accordance with generally accepted accounting principles and standards in Malaysia and in full compliance with the requirements of applicable laws and present a true and fair view of the financial position of the Issuer and the Project Companies as at the date or for the period for which the financial statements were made up;

(v) **Legality and Validity:** The Issuer's and the Project Companies' acceptance, entry and execution of the Issue Documents to which it is a party and the delivery and performance by the Issuer and the Project Companies of all their respective obligations in the Issue Documents to which it is a party have been duly authorised and constitute legal, valid, binding and enforceable obligations of the Issuer and the Project Companies;

(vi) **Non-Violation:** The entry into, exercise of rights and performance of obligations by the Issuer and the Project Companies under the Issue Documents and the Project Documents to which it is a party, do not and will not:

(a) contravene their respective constituent documents or cause any limitation on any powers whatsoever of the Issuer and/or the Project Companies, howsoever imposed, or on the right or ability of the directors of the Issuer and/or the Project Companies, to exercise such powers, to be exceeded; or

(b) contravene or constitute a default under any provision contained in any agreement or instrument to which the Issuer and/or the Project Companies are parties or which is binding upon the Issuer and/or the Project Companies and/or any of their respective assets; or

(c) contravene or constitute a default under any law, policies, decree or official directive of any governmental authorities, judgment, order, licence, permit, authorisation or approvals by which the Issuer, the Project Companies and/or any of their respective assets is bound or affected; or

(d) result in the creation or imposition of or oblige the Issuer and/or the Project

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Companies to create any security interest on any of their respective assets or undertakings;

(vii) **Information and Disclosure:**

(a) The Issuer and the Project Companies have fully disclosed to the Joint Lead Arrangers and Sukuk Trustee in writing all facts relating to the Issuer and the Project Companies which are material for disclosure;

(b) The information furnished do not contain any statement or information that is false or misleading and there is no material omission of any information;

(c) All expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful enquiry by the Issuer and the Project Companies; and

(d) The Issuer and the Project Companies are not aware of any material facts or circumstances that have not been disclosed which might, if disclosed, adversely affect the decision of a person considering whether or not to subscribe for the Merdeka ASEAN Green SRI Sukuk;

(viii) **No Immunity:** The Issuer and the Project Companies are subject to civil and commercial law with regard to their respective obligations under the Issue Documents and the execution, delivery and performance of the Issue Documents constitute private and commercial acts rather than governmental or public acts and neither the Issuer, the Project Companies nor any of their respective properties enjoy any immunity on the grounds of sovereignty or otherwise in respect of their respective obligations under the Issue Documents;

(ix) **Dissolution:** No step has been taken by the Issuer and/or the Project Companies nor has any legal proceedings been started, in progress or threatened for the winding-up or dissolution or judicial management or liquidation or re-organisation of the Issuer and/or the Project Companies or for the appointment of a receiver, receiver and manager, agent, trustee, nominee, judicial manager or similar officer in respect of all or any of the Issuer's and/or the Project Companies' business or assets which if started or appointed is not discharged or stayed within sixty (60) days, and no demand under Section 466(1)(a) of the Companies Act 2016 and no enquiry under Section 551(1) of the Companies Act 2016 have been received by the Issuer and/or the Project Companies;

(x) **No Default:** No event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute, a contravention of, or default under any agreement or instrument by which the Issuer, the Project Companies or any of their assets are bound or affected;

(xi) **Title:** The Issuer and the Project Companies are the legal and beneficial owners and have title to all their respective assets disclosed in their respective financial statements;

(xii) **Project Documents:** No event which constitutes, or which with the giving of notice or the lapse of time and/or a relevant determination being made would

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constitute a contravention or default under the Project Documents which will have a Material Adverse Effect, has occurred and no steps have been taken by any party to terminate, suspend, cancel or revoke the Project Documents which termination, suspension, cancellation or revocation will have a Material Adverse Effect and the Project Documents are valid and subsisting and all authorisations in respect of the Project Documents have been duly obtained and made;

(xiii) **Environmental laws and licences:** The Issuer and the Project Companies have:

- (a) complied with all Environmental Laws pertaining to the Project; and
- (b) obtained all Environmental Licences required in connection with the Project and has complied with the terms of those Environmental Licences;

and there are to its knowledge no circumstances that would be reasonably likely to have a Material Adverse Effect;

(xiv) **Disclosure pertaining to Environmental matters:** The Issuer and the Project Companies have disclosed full details to the Joint Lead Arrangers, the Facility Agent and the Sukuk Trustee any material claims, inspections, investigations, studies, audits, tests, reviews or other analyses pertaining to the Environment in connection with the Project and no event that are likely to give rise to a material liability under an Environmental Law or Environmental Licence has arisen which has a Material Adverse Effect; and

(xv) **Environmental releases:**

(a) No property currently or previously occupied or owned by it (including any offsite waste management or disposal location operated or owned at any time by it) in relation to the Project is or was contaminated with any hazardous substance or in a contaminated state during its period of occupation or ownership; and

(b) No discharge, release, leaching, migration or escape of any hazardous substance into the Environment has occurred or is occurring on, onto, under or from that property developed under the Project;

in each case in circumstances where this will have a Material Adverse Effect.

(xvi) such other representations and warranties as advised by the Solicitors and agreed by the Issuer.

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- (32) Events of defaults or : enforcement events, where applicable, including recourse available to investors
- (i) **Breach of Obligations:** The Issuer and/or any of the Project Companies commit a breach or omit or fail to observe or perform any of their respective covenants and/or obligations under the Issue Documents to which it is a party or under any undertaking, documents or arrangement entered into in connection therewith (other than an obligation of the type referred to in sub-paragraph (ii) below) and in the case of a failure which in the reasonable opinion of the Sukuk Trustee, is capable of being remedied, the Issuer or the relevant Project Company does not remedy the failure within a period of fourteen (14) days after the Issuer or the relevant Project Company became aware of the failure to comply or has been notified by the Sukuk Trustee in writing of the failure, whichever is earlier;
 - (ii) **Failure to Pay:** The Issuer and/or the Project Companies fail to pay any amount due from it under the Merdeka ASEAN Green SRI Sukuk Programme on the due date or, if so payable, on demand, unless such failure to pay is remedied within seven (7) business days of its due date or such failure to pay is caused by administrative or technical error and payment is made within seven (7) business days of its due date;
 - (iii) **Ownership:** The Issuer ceases to be wholly-owned subsidiary of PNB;
 - (iv) **Financial Covenants:** Any of the Financial Covenants is breached and the Issuer and/or the Project Companies fail to rectify the breach within thirty (30) days from the date of the said occurrence;
 - (v) **Cross-Default:** Any indebtedness for borrowed/financed monies of the Issuer and/or the Project Companies (other than that arising pursuant to the Merdeka ASEAN Green SRI Sukuk issued under the Merdeka ASEAN Green SRI Sukuk Programme) becomes due and payable prior to its stated maturity or capable of being declared due prior to its stated maturity unless the obligation to pay is being disputed in good faith or within thirty (30) business days and the Sukuk Trustee is furnished with evidence that the relevant creditor's agreement has been obtained not to declare due such debt or to waive such default or not to take any further action in relation thereto or any guarantee or similar obligation of the Issuer and/or the Project Companies are not discharged at maturity or when called or the Issuer and/or the Project Companies go into default under or commit a breach of any agreement or instrument relating to such indebtedness, guarantee or other obligation or any security created to secure such indebtedness, guarantee or other obligations becomes enforceable. No Event of Default will occur under this paragraph (v) if the aggregate amount of indebtedness for borrowed/financed monies falling within this paragraph (v) is less than Ringgit Malaysia Fifty Million (RM50,000,000.00);
 - (vi) **Winding-up:**
 - (a) A winding-up order has been made against the Issuer and/or the Project Companies by a court of competent jurisdiction; or
 - (b) A resolution to wind up the Issuer and/or the Project Companies have been passed; or
 - (c) Any person takes any action or any legal proceedings is started or a petition is presented (unless such petition is frivolous or vexatious or related to a claim to

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which the Issuer and/or the Project Companies have a good defence or which is being contested in good faith by the Issuer and/or the Project Companies or is otherwise withdrawn or dismissed within thirty (30) days of its presentation) or other steps taken for:

- (1) the Issuer and/or the Project Companies to be adjudicated or found insolvent;
- (2) the winding-up, dissolution of the Issuer and/or the Project Companies either by an order of a Court of competent jurisdiction or by way of voluntary winding-up; or
- (3) the appointment of a liquidator, trustee, receiver or similar officer over the whole or any part of the Issuer and/or the Project Companies or any of their respective assets and undertaking(s),

which will have a Material Adverse Effect;

(vii) **Appointment of Receiver:** An encumbrancer takes possession of, or a receiver, receiver and manager, liquidator, trustee, nominee, judicial manager or other similar officer is appointed in respect of the whole or a substantial part of the assets or undertakings or business of the Issuer and/or the Project Companies which has a Material Adverse Effect, and is not discharged within ninety (90) days after being levied, enforced or sued out;

(viii) **Judgment:** Any judgment or order involving material liabilities (excluding those liabilities in which it is confirmed that *takaful*/insurance coverage can be claimed) is obtained or any process of any court becomes enforceable against the Issuer and/or the Project Companies by any third party which judgement or order has a Material Adverse Effect and the Issuer and/or the Project Companies have failed to satisfy such judgment and no appeal or no application for a stay of execution has been made to the appropriate appellate court within thirty (30) days of the entry of such judgment or the time prescribed or application for a stay of execution and such judgment is discharged or stayed within ninety (90) days of the application;

(ix) **Reorganisation:** Any reorganisation, amalgamation or merger of the Issuer and/or the Project Companies with another corporation other than an intra-group reorganisation on a solvent basis and provided that the Issuer shall be the surviving entity or dissolution pursuant to voluntary winding up proceedings of any of its dormant subsidiaries;

(x) **Arrangement and Reconstruction:**

(a) The Issuer, the Project Companies and/or their related corporations commence negotiations or take any proceeding or step with anyone or more of their creditors with a view to the general readjustment rescheduling or deferral of all or any part of (or a particular type of) its indebtedness (or of any part of their respective indebtedness which they will or might otherwise be unable to pay when due); or

(b) The Issuer, the Project Companies and/or their related corporations propose to make a general assignment or enter into an arrangement or composition with or for the benefit of their creditors; or

(c) A moratorium is agreed or has been declared in respect of or affecting all or a

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part of the indebtedness of the Issuer, the Project Companies and/or their related corporations; or

(d) A scheme of arrangement under Section 366 of the Companies Act 2016 has been instituted against the Issuer, the Project Companies and/or their related corporations;

(xi) **Invalidity:** Any provision of the Issue Documents is or becomes, for any reason, ineffective, invalid or unenforceable or in the sole opinion of the Sukuk Trustee any security in relation to the Issue Documents or any part thereof, is in jeopardy which would have a Material Adverse Effect;

(xii) **Change in the Issuer/ Project Companies:** Any change in the Issuer and/or the Project Companies occurs which has a Material Adverse Effect on the Issuer's financial condition or business or security position which will have a Material Adverse Effect;

(xiii) **Misrepresentation:** Any representation, warranty, covenant or statement which is made (or acknowledged to have been made) by the Issuer and/or the Project Companies in the Issue Documents or which is contained in any certificate, statement, legal opinion or notice provided under or in connection herewith or therewith proves to be untrue, inaccurate, incorrect or misleading in any material respect, or if repeated at any time with reference to the facts and circumstances subsisting at such time would not be accurate in any material respects and in the case of a misrepresentation which in the reasonable opinion of the Sukuk Trustee is capable of being remedied, the Issuer and/or the Project Companies do not remedy the failure within a period of thirty (30) days after the Issuer and/or the Project Companies became aware of such misrepresentation or has been notified by the Sukuk Trustee in writing of such misrepresentation, whichever is earlier;

(xiv) **Authorisations:** Where there is a revocation, withholding, invalidation or modification of any authorisation, consent, approval, permit, resolution, license, exemption, filing, registration, recording with any court, public office or elsewhere which impairs or prejudices the ability of the Issuer and/or the Project Companies to comply with the terms and conditions of the Issue Documents or any other documents relating to the Merdeka ASEAN Green SRI Sukuk Programme or which adversely affects the legality, validity, enforceability, binding effect or admissibility in evidence of any of the Issue Documents, which revocation, withholding, invalidation or modification will have a Material Adverse Effect;

(xv) **Contravention:** Contravention of any law, regulation or court order by the Issuer and/or the Project Companies and such contravention will have a Material Adverse Effect;

(xvi) **Cessation of Business:** The Issuer and/or the Project Companies change or threaten to change the nature or scope of a substantial part of their respective businesses, suspends or threatens to suspend or cease or threaten to cease the operation of the whole or a substantial part of their respective businesses which they currently conduct directly or indirectly and such cessation will have a Material Adverse Effect;

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(xvii) **Insolvency:** The Issuer and/or the Project Companies become insolvent or commits an act of insolvency or is unable to pay any of their respective debts within Section 466(1)(a) of the Companies Act 2016 or become unable to pay any of their respective debts as they fall due or stop or suspend or threaten to suspend payment with respect to all or any class of their respective debts;

(xviii) **Nationalisation:** All or material part of the undertaking(s), property or assets, rights or revenue of or shares or other ownership interests of or in the Issuer and/or the Other Companies are or are threatened to be seized, nationalised, expropriated or compulsorily acquired or control of such property or assets shall be assumed and retained or threatened to be assumed or retained by or under the authority of any governmental body;

(xix) **Other Event or Events:** Any other event or series of events whether related or not, has or have occurred or a situation exists which will have a Material Adverse Effect;

(xx) **Events in relation to the Project:**

(a) Any of the Project Companies fails to carry out the Project in accordance with the development plan approved by the relevant authorities;

(b) Any of the Project Companies suspends all and/or part of the development and/or construction works on the Project for a continuous period of three (3) months;

(c) The whole or any part of the Project is abandoned;

(d) Any of the Project Companies fails to carry out or execute the development and/or construction of the Project in accordance with the relevant law, regulations, directives and/or order;

(e) In relation to the JDA, the Power of Attorney, the SPA(s), the MLA, the Office Tower Lease and the Completion Guarantee, any of the said Project Documents is rescinded or terminated or any of the parties thereto repudiate any of their obligations under the said Project Documents or does or causes to be done any act or thing evidencing an intention to repudiate any of the said Project Documents and in relation to the Project Documents (other than the JDA, the Power of Attorney, the SPA(s), the MLA, the Office Tower Lease and the Completion Guarantee), any of the said Project Documents is rescinded or terminated or any of the parties thereto repudiate any of their obligations under the said Project Documents or does or causes to be done any act or thing evidencing an intention to repudiate any of the said Project Documents which will have a Material Adverse Effect;

(f) PNB breaches or fails to comply with its obligations under the Completion Guarantee unless the Issuer fulfils its payment obligations under the Merdeka ASEAN Green SRI Sukuk Programme when they fall due;

(g) Any of the parties to the Project Documents or the Office Tower Lease

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breaches any terms, conditions or obligations under the Project Documents or the Office Tower Lease and such event could or might affect or prejudice the ability of the Issuer or the Project Companies or their willingness to comply with all or any of their respective obligations under the Issue Documents;

(xxi) The Completion of the Project is delayed beyond the Extended Completion Date; and

(xxii) Such other events of default as required for purposes of compliance with the Securities Commission's Trust Deeds Guidelines and as may be advised by the Solicitors, the Joint Lead Arrangers and agreed by the Issuer.

Upon occurrence of an Event of Default, and subject to any remedy period, where applicable, the Security Agent may at its discretion and shall, if instructed by the Sukuk Trustee (upon the instructions of the Sukukholders by a special resolution), issue a notice in writing to the Issuer ("**Acceleration Notice**"), declaring an Event of Default has occurred in respect of Merdeka ASEAN Green SRI Sukuk Programme whereupon:

(i) all amounts payable by the Issuer under the Merdeka ASEAN Green SRI Sukuk Programme shall thereupon immediately become due and payable and all accrued profits and principal thereon and any other amounts payable under the Merdeka ASEAN Green SRI Sukuk Programme shall become due and payable;

(ii) the Security Agent shall be entitled to immediately enforce the security conferred by and/or exercise any of its rights, powers and discretions under the security documents as mentioned in the item entitled "Details of security/collateral pledged, if applicable" (other than the Shared Security Documents), without further notice to the Issuer;

(iii) in relation to the Merdeka ASEAN Green SRI Sukuk Security Documents, if instructed by the Sukuk Trustee (upon instruction of the Sukukholders by a special resolution), the Security Agent shall be entitled to immediately enforce the security thereunder without notice to the sukuk trustee/facility agent under Merdeka Sukuk *Murabahah* Programme;

(iv) in relation to the Merdeka ASEAN Green SRI Sukuk Security Documents, the MSM Sukukholders shall only be entitled to issue an enforcement instruction to the Security Agent in relation to the Merdeka ASEAN Green SRI Sukuk Security Documents upon the full settlement of Merdeka ASEAN Green SRI Sukuk;

(v) in relation to the Shared Security Documents:

(a) the Sukuk Trustee under Merdeka ASEAN Green SRI Sukuk Programme, shall promptly (and in any event not later than the third (3rd) business day after the issuance of the Acceleration Notice under Merdeka ASEAN Green SRI Sukuk Programme) notify the Security Agent, the sukuk trustee under the Merdeka Sukuk *Murabahah* Programme and the Project Companies of the issuance of the Acceleration Notice; and

(b) if the Sukuk Trustee under Merdeka ASEAN Green SRI Sukuk Programme

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(acting on the instruction of the Sukukholders under Merdeka ASEAN Green SRI Sukuk Programme) and the sukuk trustee under Merdeka Sukuk *Murabahah* Programme (acting on the instruction of the MSM Sukukholders under Merdeka Sukuk *Murabahah* Programme) jointly decide to enforce the Shared Security Documents, the Sukuk Trustee under Merdeka ASEAN Green SRI Sukuk Programme shall issue an enforcement instruction to the Security Agent to enforce the security under the Shared Security Documents, and the Security Agent upon receipt of the enforcement instruction shall be entitled to immediately enforce the Shared Security Documents without further notice to the Issuer subject to the terms and conditions in the Security Sharing Agreement.

In relation to any decision on whether to issue an enforcement instruction to the Security Agent in relation to the Shared Security Documents, the sukuk trustee under the Merdeka Sukuk *Murabahah* Programme and the Sukuk Trustee under the Merdeka ASEAN Green SRI Sukuk Programme shall call for a meeting of the Sukukholders or MSM Sukukholders, respectively under Merdeka ASEAN Green SRI Sukuk Programme and Merdeka Sukuk *Murabahah* Programme and during such meeting it would require the instruction of both the Sukuk Trustee under Merdeka ASEAN Green SRI Sukuk Programme (acting on the instruction of the Sukukholders under Merdeka ASEAN Green SRI Sukuk Programme) and the sukuk trustee under Merdeka Sukuk *Murabahah* Programme (acting on the instruction of the MSM Sukukholders under Merdeka Sukuk *Murabahah* Programme), to decide on whether or not to issue an enforcement instruction to the Security Agent to enforce on the Shared Security Documents. If no decision is made within sixty (60) days of the issuance of the Acceleration Notice, the Sukuk Trustee of the Sukukholders may issue an enforcement instruction to the Security Agent to enforce the Shared Security Documents and the Security Agent upon receipt of the enforcement instruction shall be entitled to immediately enforce the Shared Security Documents without further notice to the Issuer.

For the avoidance of doubt, the enforcement of any of the security arrangement will be subject to the request of the Sukukholders and the MSM Sukukholders by their respective special resolution.

During construction period:

In the circumstances where the completion of the Project is delayed beyond the Extended Completion Date, the Security Agent may at its discretion and shall if instructed by either the Sukukholders by a special resolution, declare an Event of Default has occurred under Merdeka ASEAN Green SRI Sukuk Programme or the MSM Sukukholders by a special resolution, declare an event of default has occurred under Merdeka Sukuk *Murabahah* Programme, and whereupon all amounts payable by the Issuer under Merdeka ASEAN Green SRI Sukuk Programme and Merdeka Sukuk *Murabahah* Programme and all accrued profits and principal thereon and any other amounts payable under Merdeka ASEAN Green SRI Sukuk Programme and Merdeka Sukuk *Murabahah* Programme, shall become due and payable and the Security Agent shall be entitled to immediately enforce on the Completion Guarantee (at the instruction of either the Sukukholders

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or the MSM Sukukholders) and PNB shall on demand immediately settle all outstanding sum (including principal and profits due and payable under Merdeka ASEAN Green SRI Sukuk Programme and Merdeka Sukuk *Murabahah* Programme), without further notice to the Issuer.

(33) Governing laws : Laws of Malaysia.

(34) Provisions on buy-back, if applicable : The Issuer or its subsidiaries, or agent(s) of the Issuer may at any time purchase the Merdeka ASEAN Green SRI Sukuk at any price in the open market or by private treaty, but such Merdeka ASEAN Green SRI Sukuk so purchased shall be surrendered for cancellation and may not be reissued or resold.

For the avoidance of doubt, the Merdeka ASEAN Green SRI Sukuk held by any interested person (as defined in the SC's Trust Deeds Guidelines revised on 12 July 2011 and effective 12 August 2011) of the Issuer need not be cancelled but such Merdeka ASEAN Green SRI Sukuk so purchased and held by the interested person of the Issuer shall not be counted for purposes of voting at any meeting of the Sukukholders subject to any exceptions in the SC's Trust Deed Guidelines.

(35) Provisions on early redemption, if applicable : Mandatory Prepayment

The Facilitation Fund Proceeds received after the Scheduled Completion Date/Extended Completion Date shall be utilised to partially redeem the outstanding Merdeka ASEAN Green SRI Sukuk prior to its maturity date at the Early Redemption Sum (as defined herein) on any Periodic Payment Date, subject to the following conditions:

(i) The Issuer shall provide to the Facility Agent and the Sukuk Trustee not less than thirty (30) days prior irrevocable written notice ("**Early Redemption Notice**") stating the early redemption date ("**Early Redemption Date**") and details of the Merdeka ASEAN Green SRI Sukuk to be redeemed including the amount to be redeemed; and

(ii) The amount to be redeemed must be in minimum of Ringgit Malaysia One Hundred Thousand (RM100,000.00) and multiples of Ringgit Malaysia One Hundred Thousand (RM100,000.00) thereof.

If and when any assets of the Issuer secured under the Merdeka ASEAN Green SRI Sukuk Programme is sold (in whole or in part) or listed, the proceeds shall be utilised to redeem the outstanding Merdeka ASEAN Green SRI Sukuk prior to its maturity date (in part or in full) at the Early Redemption Sum on any Periodic Payment Date, subject to the following conditions:

(i) The Issuer shall provide to the Facility Agent and the Sukuk Trustee not less than thirty (30) days prior Early Redemption Notice stating the Early Redemption Date and details of the Merdeka ASEAN Green SRI Sukuk to be redeemed

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including the amount to be redeemed;

(ii) The amount to be redeemed must be in minimum of Ringgit Malaysia One Million (RM1,000,000.00) and multiples of Ringgit Malaysia One Hundred Thousand (RM100,000.00) thereof; and

(iii) The early redemption of any outstanding Merdeka ASEAN Green SRI Sukuk shall be at the Early Redemption Sum.

In the event the Issuer exercises its right to redeem the outstanding Merdeka ASEAN Green SRI Sukuk prior to its maturity date, the Issuer shall redeem the Merdeka ASEAN Green SRI Sukuk or such part thereof at the Early Redemption Sum subject to the grant of *Ibra'* (rebate).

Any early redemption proceeds received shall be applied towards settlement of the outstanding Merdeka ASEAN Green SRI Sukuk in the direct order of maturity and the Merdeka ASEAN Green SRI Sukuk redeemed shall forthwith be cancelled and shall not be capable of being re-issued and the limit of the Merdeka ASEAN Green SRI Sukuk Programme shall be reduced accordingly.

Early Redemption

The Issuer may, at its option, redeem the outstanding Merdeka ASEAN Green SRI Sukuk prior to its maturity date (in part or in full) at the Early Redemption Sum (as defined herein) on any Periodic Payment Date, subject to the following conditions:

(i) The Issuer shall provide to the Facility Agent and the Sukuk Trustee not less than sixty (60) days prior Early Redemption Notice stating the Early Redemption Date and details of the Merdeka ASEAN Green SRI Sukuk to be redeemed including the amount to be redeemed;

(ii) The amount to be redeemed must be in minimum of Ringgit Malaysia One Million (RM1,000,000.00) and multiples of Ringgit Malaysia One Hundred Thousand (RM100,000.00) thereof;

(iii) No early redemption is allowed prior to the seventh (7th) anniversary of the date of first issuance of the Merdeka ASEAN Green SRI Sukuk; and

(iv) The early redemption of any outstanding Merdeka ASEAN Green SRI Sukuk shall be at the Early Redemption Sum (as defined herein).

In the event the Issuer exercises its right to redeem the outstanding Merdeka ASEAN Green SRI Sukuk prior to its maturity date, the Issuer shall redeem the Merdeka ASEAN Green SRI Sukuk or such part thereof at the Early Redemption Sum (as defined herein) subject to the grant of *Ibra'* (rebate).

“Early Redemption Sum” is defined as the aggregate nominal value of the outstanding Merdeka ASEAN Green SRI Sukuk to be redeemed and all the accrued and unpaid profit thereon plus an additional amount to be mutually agreed upon between the Issuer and the Sukukholders by way of special resolution (more than seventy five per centum (75%)).

Unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka ASEAN Green SRI Sukuk) pursuant to a Sukuk programme of up to Ringgit Malaysia Two Billion (RM2,000,000,000.00) in nominal value (Merdeka ASEAN Green SRI Sukuk Programme). The Issuer also proposes to issue unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka Sukuk Murabahah) pursuant to a Sukuk programme of up to Ringgit Malaysia Three Billion Six Hundred Fifty Million (RM3,650,000,000.00) in nominal value (Merdeka Sukuk Murabahah Programme).

Principal Terms and Conditions

Any early redemption proceeds received shall be applied towards settlement of the outstanding Merdeka ASEAN Green SRI Sukuk in the direct order of maturity and the Merdeka ASEAN Green SRI Sukuk redeemed shall forthwith be cancelled and shall not be capable of being re-issued and the limit of the Merdeka ASEAN Green SRI Sukuk Programme shall be reduced accordingly.

- (36) Voting : All matters or resolutions which require the Sukukholders' consent under the Merdeka ASEAN Green SRI Sukuk Programme shall be carried out on a collective basis.
- Any Merdeka ASEAN Green SRI Sukuk held by the Issuer or any interested person (includes directors, major shareholders and chief executive) of the Issuer shall not be counted for the purpose of voting, nor entitle them to participate in the voting of any Sukukholders' resolutions, nor form part of the quorum of any meeting subject to any exceptions in the SC's Trust Deeds Guidelines.

- (37) Permitted investments, if applicable : Funds held in the Designated Accounts can be utilised to make Permitted Investment (relevant account(s) for the purpose of Permitted Investment may be opened and operated by the Security Agent and/or the Issuer subject to the terms of the respective Designated Accounts) unless otherwise directed by the Security Agent, provided always that such Permitted Investment and such other approved investments (except for money market instruments which can be remitted into the relevant Designated Account(s) one (1) business day prior to the dates when such monies will be needed to meet any payment obligations of the Issuer under the Merdeka ASEAN Green SRI Sukuk) shall mature and the proceeds be remitted into the relevant Designated Account(s) no later than three (3) business days prior to the dates when such monies will be needed to meet any payment obligations of the Issuer under Merdeka ASEAN Green SRI Sukuk.

Permitted Investment shall comprise Shariah-compliant investment products approved by the SAC of the SC or Bank Negara Malaysia's ("BNM") Shariah Advisory Council. Permitted Investment includes:-

- (i) Islamic treasury bills, Islamic money market instrument and sukuk issued or guaranteed by the Government of Malaysia or BNM;
- (ii) Sukuk issued by a government related entity, corporate or any financial institution pursuant to the Islamic Financial Services Act 2013 ("IFSA") and having a minimum long term rating of AA3 and/or short term rating of P1 by rating agency(ies);
- (iii) deposits and Islamic money market instruments with any financial institution licensed pursuant to the IFSA and having a minimum long term rating of AA1 and/or short term rating of P1 by rating agency(ies); and
- (iv) unit trusts which invest one hundred percent (100%) in Islamic money market instruments and wadiah or Islamic deposits.

The Permitted Investment shall be subject to the following:-

Unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka ASEAN Green SRI Sukuk) pursuant to a Sukuk programme of up to Ringgit Malaysia Two Billion (RM2,000,000,000.00) in nominal value (Merdeka ASEAN Green SRI Sukuk Programme). The Issuer also proposes to issue unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka Sukuk Murabahah) pursuant to a Sukuk programme of up to Ringgit Malaysia Three Billion Six Hundred Fifty Million (RM3,650,000,000.00) in nominal value (Merdeka Sukuk Murabahah Programme).

Principal Terms and Conditions

- (a) investments in Sukuk which are equities in nature or incorporate loss-sharing mechanism shall not be allowed;
- (b) such Permitted Investment is denominated in Ringgit;
- (c) such Permitted Investment is to be held and not traded;
- (d) at least fifty percent (50%) of the total Permitted Investment is invested in (i) and (iii); and
- (e) investment in (ii) shall have a maximum counterparty exposure of no more than ten percent (10%) of total eligible investments.

(38) Ta'widh (for ringgit-denominated sukuk) : In the event of delay in payments of any amount payable under the Merdeka ASEAN Green SRI Sukuk, including the Deferred Sale Price, the Issuer shall pay *Ta'widh* to the Sukuk Trustee (acting on behalf of the Sukukholders) on such delayed payments at the rate and manner prescribed by the SAC of the SC from time to time in accordance with Shariah principles.

(39) *Ibra'* (for ringgit-denominated sukuk) : The Sukukholders in subscribing or purchasing the Merdeka ASEAN Green SRI Sukuk consent to grant *Ibra'*, if the Merdeka ASEAN Green SRI Sukuk is redeemed before the maturity date, i.e. upon the declaration of an Event of Default or upon an early redemption of the Merdeka ASEAN Green SRI Sukuk.

In case of declaration of an Event of Default, the *Ibra'* (if any) shall be the unearned profit due to the Sukukholders from the date of redemption of the Merdeka ASEAN Green SRI Sukuk upon the declaration of an Event of Default up to the respective maturity date of the Merdeka ASEAN Green SRI Sukuk.

In case of an early redemption, the *Ibra'* (if any) shall be the difference between the outstanding Deferred Sale Price and the Early Redemption Sum. For the avoidance of doubt, Early Redemption Sum cannot be more than the Deferred Sale Price.

Ibra' refers to an act of releasing absolutely or conditionally one's rights or claims on any obligation against another party which would result in the latter being discharged of his/its obligation or liabilities towards the former. The release may be either partially or in full.

"Early Redemption Sum" shall mean the aggregate nominal value of the outstanding Merdeka ASEAN Green SRI Sukuk to be redeemed and all the accrued and unpaid profit thereon plus an additional amount to be mutually agreed upon between the Issuer and the Sukukholders by way of special resolution.

(40) Kafalah (for ringgit-denominated sukuk) : Not applicable.

(41) Waivers from : None.

PNB Merdeka Ventures Sdn. Berhad (PNBMV)

Unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka ASEAN Green SRI Sukuk) pursuant to a Sukuk programme of up to Ringgit Malaysia Two Billion (RM2,000,000,000.00) in nominal value (Merdeka ASEAN Green SRI Sukuk Programme). The Issuer also proposes to issue unrated Sukuk under the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah (Merdeka Sukuk Murabahah) pursuant to a Sukuk programme of up to Ringgit Malaysia Three Billion Six Hundred Fifty Million (RM3,650,000,000.00) in nominal value (Merdeka Sukuk Murabahah Programme).

Principal Terms and Conditions

complying with
Guidelines on
Unlisted Capital
Market Products
under the Lodge and
Launch Framework
and other relevant
guidelines of the SC
obtained for the
facility/programme, if
any