

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

PRINCIPAL TERMS AND CONDITIONS OF THE MTN PROGRAMME

1. BACKGROUND INFORMATION OF THE ISSUER

- (i) **Name** : Segi Astana Sdn Bhd ("**Segi Astana**" or the "**Issuer**").
- (ii) **Registered Address** : No. 12, Jalan Majistret U1/26, Seksyen U1
Lot 44, Hicom-Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan.
- Business Address** : No. 12, Jalan Majistret U1/26, Seksyen U1
Lot 44, Hicom-Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan.
- (iii) **Business Registration No.** : 916663-H
- (iv) **Date/Place of Incorporation** : 1 October 2010 / Kuala Lumpur
- (v) **Date of Listing (in the case of a public listed company)** : Not applicable.
- (vi) **Status**
- Resident/non-resident controlled company** : Resident controlled company.
 - Bumiputera / non-Bumiputera controlled company** : Non-Bumiputera controlled company.
- (vii) **Principal Activities** : The Issuer will undertake to:
- (i) Design, construct and complete the Integrated Complex (as defined in item 2(j) below);
 - (ii) Manage, operate and maintain the Integrated Complex; and
 - (iii) Arrange for the necessary financing as may be required in relation to the Project (as defined in item 2(j) below).

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

(viii) Board of Directors (as at 19 October 2011)

No.	Name	Malaysian NRIC No.
(i)	Choe Kai Keong	510413-08-5701
(ii)	Young Pey Feei	600124-05-5089
(iii)	Stewart Tew Peng Eng	670705-10-5199
(iv)	Mohammad Suhaimi Bin Abdul Mubin	670101-06-6205
(v)	Faizah Binti Khairuddin	670920-01-6148

(ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders (as at 30 September 2011)

Substantial shareholders	No. of ordinary shares	Equity (%)
WCT Land Sdn Bhd	700	70.0
Malaysia Airports Holding Berhad	300	30.0

(x) Authorised and paid-up capital : Authorised Share Capital as at 30 September 2011

RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each.

Issued and Fully Paid-up Share Capital as at 30 September 2011

RM1,000.00 comprising of 1,000 ordinary shares of RM1.00 each.

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

2. PRINCIPAL TERMS AND CONDITIONS OF THE MTN PROGRAMME

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

- (i) **Principal adviser** : AmInvestment Bank Berhad (**"AmInvestment Bank"**).
- (ii) **Lead arranger** : AmInvestment Bank.
- (iii) **Co-arranger** : Not applicable.
- (iv) **Solicitor** : Messrs. Adnan Sundra & Low.
- (v) **Financial adviser** : Not applicable.
- (vi) **Technical adviser** : Not applicable.
- (vii) **Trustee** : AmTrustee Berhad.
- (viii) **Guarantor** : Danajamin Nasional Berhad (**"Danajamin"**).
- (ix) **Valuer** : Not applicable.
- (x) **Facility agent** : AmInvestment Bank.
- (xi) **Primary subscriber (under a bought-deal arrangement) and amount subscribed** : AmBank (M) Berhad will fully subscribe for the MTNs (as defined herein), subject to the yields-to-maturity to be agreed prior to issuance.
- (xii) **Underwriter and amount underwritten** : Not applicable.
- (xiii) **Central depository** : Bank Negara Malaysia (**"BNM"**).
- (xiv) **Paying agent** : BNM.
- (xv) **Reporting Accountant** : Messrs. Ernst & Young.
- (xvi) **Calculation agent** : Not applicable.
- (xvi) **Others (please specify)** : Lead Manager
AmInvestment Bank.

- (b) **Facility description** : Medium term notes (**"MTNs"**) of up to RM470.0 million in nominal value guaranteed by Danajamin

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

pursuant to a medium term notes programme (“**MTN Programme**”).

- (c) **Issue / programme size** : From the date of the first issue under the MTN Programme up to the date falling a day prior to the 5th anniversary, the aggregate outstanding nominal value of the MTNs issued under the MTN Programme at any point in time shall not exceed RM470.0 million. Thereafter, the limit of the MTN Programme shall be reduced in accordance with the reduction schedule below (“**Reduction Schedule**”), and the aggregate outstanding nominal value of the MTNs issued under the MTN Programme at any point in time shall not exceed the Revised MTN Programme Limit (as defined below):

Anniversary from the date of first issue	Reduction Amount (RM'million)	Revised MTN Programme Limit (RM'million)
5	30.0	440.0
6	40.0	400.0
7	45.0	355.0
8	55.0	300.0
9	55.0	245.0
10	55.0	190.0
11	55.0	135.0
12	55.0	80.0
13	55.0	25.0
14	25.0	-

- (d) **Tenor of the issue / debt programme (or facility)** : Tenor of the Programme

Up to fourteen (14) years from the date of the first issue of the MTNs.

Tenor of the Issue

More than one (1) year and up to fourteen (14) years provided always that (i) the MTNs shall mature at or prior to the expiry of the MTN

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

Programme and (ii) the MTNs when so issued shall adhere to the Reduction Schedule.

- (e) **Availability period of debt programme (or facility)** : Up to two (2) years from the date of first issuance with the first issuance of the MTNs to be made within two (2) years from the date of approval by the Securities Commission (“SC”).
- (f) **Interest / coupon rate** : The coupon rate shall be determined prior to each issuance of the MTNs.
- (g) **Interest / coupon payment frequency** : Payable on a quarterly basis with the first payment to be made three (3) months from the date of each issuance of the MTNs and the last payment to be made on the respective maturity dates of the MTNs.
- (h) **Interest / coupon payment basis** : The coupon payment shall be calculated on the basis of the actual number of days elapsed over three hundred sixty five (365) days basis (Actual / 365).
- (i) **Security/collateral (if any)** : Each series / tranche of the MTNs shall be secured by an FGI Policy (as described in item (v)(i) below) issued by the Guarantor in favour of the Trustee to guarantee all principal and one interest / coupon payment obligations of the Issuer.
- (j) **Details on utilisation of proceeds by issuer** : The proceeds of the MTNs shall be utilised for the following purposes:

Details of Utilisation	Amount Up to (RM'mil)
(i) To part finance / reimburse the shareholders' advances utilised to finance up to *73% of the construction cost and all costs associated with the design, development, management and construction of the Integrated Complex and associated works at the new Low Cost Carrier Terminal located at KLIA2 (“the Project”) amounting to RM530.3 million;	389.0

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

<p><i>Note</i></p> <p><i>* Drawdown is to be made progressively against 73% of works done based on original contractor / consultants / suppliers claims / invoices duly certified / verified by the independent architects / quantity surveyor / engineer and subject to documentary evidence that the balance of 27% of each claim has been settled first.</i></p>	
(ii) To finance all fees and all expenses in connection with the MTNs and the FGI Facility (as described in item (v)(i) below);	10.8**
(iii) To fund the debt service reserve account under the FGI Facility;	16.1**
(iv) To fund the interest of the MTNs during construction of the Project; and	35.1**
(v) To fund initial development costs and working capital requirements of the Project.	19.0**
Total	470.0

** *Estimates.*

The Project involves the privatisation of the construction, development and financing of the Integrated Complex at KLIA2 on a build-operate-transfer model.

The Integrated Complex comprises the following:

- (i) A transportation hub for the Express Rail Link, buses, taxis, car rental services and private transport;
- (ii) A commercial complex consisting of a shopping mall with net lettable area of approximately 350,000 square feet; and

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

(iii) Car parks with approximately 6,000 parking bays.

(k) **Sinking fund and designated accounts (if any)** : Not applicable.

(l) **Rating**

- **Credit rating assigned** : AAA(fg).
- **Name of rating agency** : Malaysian Rating Corporation Berhad.

(m) **Mode of issue** : The MTNs shall be issued on a bought deal basis.

(n) **Selling restriction, including tradability** : Selling Restrictions
The MTNs may not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within:

- (i) at the point of issuance of the MTNs, section 4(6) of the Companies Act, 1965, Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 9 or Section 257(3) of the Capital Markets and Services Act 2007 as amended from time to time ("**CMSA**");
- (ii) after the issuance of the MTNs, section 4(6) of the Companies Act, 1965, Schedule 6 or Section 229(1)(b) and Schedule 9 or Section 257(3) of the CMSA.

Tradability

Tradable, subject to Selling Restrictions.

(o) **Listing status and types of listing** : The MTNs may be listed under the Exempt Regime of the Main Market of Bursa Malaysia Securities Berhad or any other stock exchange. Such listing on any other stock exchange shall be for profiling purposes only and the MTNs shall not be traded on such stock exchange.

(p) **Other regulatory approvals required in relation to the issue, offer or** : Not applicable.

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

invitation and whether or
not obtained

(q) **Conditions precedent** : Conditions Precedent prior to first issuance of the MTNs

To include but not limited to the following:

- (i) receipt of the certified true copy of the duly executed and stamped Concession Agreement between MAHB WCT Berhad and the Issuer ("**Concession Agreement**") dated 22 September 2011 (and any supplemental thereto);
- (ii) receipt of documentary evidence of a minimum injection by shareholders of equity and/or shareholders loans / advances of at least RM20.0 million satisfactory to the Lead Arranger;
- (iii) the Financial Guarantee Insurance Facility Agreement, the Advance Facility Agreement together with all transaction and security documents related therewith have been executed and, where applicable, stamped and presented for registration;
- (iv) receipt of certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association of the Issuer;
- (v) receipt of certified true copies of the latest Forms 24, 44 and 49 of the Issuer;
- (vi) receipt of a certified true copy each of board resolutions of the Issuer authorising, among others, the execution of the transaction documents and the issuance of the MTNs;
- (vii) receipt of a list of the Issuer's authorised signatories and their respective specimen signatures;
- (viii) the approval(s) from the SC has been obtained;
- (ix) the Issuer has obtained a long term rating of AAA(fg) from the rating agency for the MTN Programme;
- (x) receipt of a favourable company search

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

report of the Issuer;

- (xi) receipt of a favourable winding up search report or the relevant statutory declaration of the Issuer;
- (xii) receipt of a legal opinion, satisfactory to the Lead Arranger, from the Solicitors addressed to the Lead Arranger and Guarantor advising with respect to, the legality, validity and enforceability of the transaction documents and a confirmation addressed to the Lead Arranger and Guarantor that all the conditions precedent have been fulfilled or waived, as the case may be;
- (xiii) evidence that all transaction fees, costs and expenses have been paid in full; and
- (xiv) such other Conditions Precedent as may be advised by the Solicitors.

Conditions Precedent prior to each issuance of the MTNs

- (i) receipt of the FGI Policy in the agreed form (which issuance is conditional upon the fulfillment by the Issuer of the conditions precedent set out in the FGI Facility);
- (ii) receipt of Issuer's certification that it is in compliance with all representations and warranties and no event of default has occurred under the transaction documents; and
- (iii) such other conditions precedent as may be advised by the Solicitors, to be agreed by the Lead Arranger and Guarantor.

(r) Representations and warranties

and : Representations and warranties customary for a financing of this nature, including but not limited to:

- (i) the Issuer is a company duly incorporated and validly existing under the laws of Malaysia, has the full power and authority to enter into the business in which it is engaged or proposes to engage and to own its properties and assets and has legal and beneficial ownership of all its properties and assets;

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

- (ii) the memorandum and articles of association of the Issuer incorporate provisions which give power, capacity and all necessary corporate authorities have been obtained and action taken for the Issuer to exercise its rights under and perform its obligations under the transaction documents to which it is a party;
- (iii) all necessary actions, authorisations, licenses, permits and consents required in respect of the transaction documents (to which the Issuer is a party) have been taken, fulfilled and obtained (as the case may be) and remain in full force and effect;
- (iv) the Issuer's entry into, exercise of its rights under and performance of the transaction documents to which it is a party do not and will not violate any existing law or documents / agreements to which it is a party or its memorandum and articles of association;
- (v) the transaction documents (to which the Issuer is a party) are or, when executed, will be in full force and effect and constitute (and will constitute) legal, valid, binding and enforceable obligations of the Issuer;
- (vi) no event that would constitute a contravention of or default under the transaction documents (to which the Issuer is a party) has occurred and is continuing;
- (vii) the Issuer's audited financial statements are prepared in accordance with generally accepted accounting principles and standards in Malaysia and give a true and fair view of the results of the Issuer's operations for the period to which the financial statements are made up;
- (viii) no step has been taken by the Issuer, or its creditors or any of its shareholders or any other person on its behalf and no legal proceedings or applications have been initiated or threatened against the Issuer under section 176 of the Companies Act; and
- (ix) such other representations and warranties as may be advised by the Solicitors, to be

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

agreed by the Lead Arranger and Guarantor.

(s) Events of default (or enforcement event, where applicable) : Shall be as follows:

- (i) Non-Payment: (1) the Issuer fails to pay any amount due from it under any series / tranche of the MTNs. For the purposes of this clause, failure by the Issuer to pay any amount due from it under a series / tranche of the MTNs shall not constitute an Event of Default in respect of the other series / tranche of MTNs issued under the MTN Programme unless the Issuer has also failed to pay any amount due from it under the other series / tranche of MTNs; (2) the Issuer fails to pay any amount due from it under any of the transaction documents to which it is a party (other than under this clause) on the due date or date of demand, if so payable;
- (ii) Other Breaches: the Issuer breaches any of its obligations or terms and conditions under any of the transaction documents to which it is a party (other than (i) above) which has a material adverse effect and if such breach in the reasonable opinion of the Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of thirty (30) days after the Issuer had become aware or had been notified by the Trustee of the breach, whichever is the earlier;
- (iii) Misrepresentation: any representation, warranty or statement which is made by the Issuer in the transaction documents is or proves to be incorrect or misleading in any material respect, which will in the reasonable opinion of the Trustee have a material adverse effect;
- (iv) Invalidity: any provision of the transaction documents is or becomes, for any reason, invalid, illegal, void or unenforceable which would prevent the Issuer from or entitle the Issuer to refrain from performing any of its obligations thereunder;
- (v) Appointment of Receiver, Legal Process: an encumbrancer takes possession of, or a

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

- trustee, liquidator, receiver or similar officer is appointed in respect of, all or a substantial part of the business, assets or undertaking of the Issuer and is not paid out, withdrawn or discharged within thirty (30) days of such appointment, and which will have a material adverse effect;
- (vi) Insolvency: the Issuer is unable to pay its debts within the meaning of Section 218(2) of the Companies Act, 1965 or has become unable to pay any of its debts as they become due or stops or suspends or threatens to suspend payment with respect to all or any class of its debts;
- (vii) Composition: the Issuer makes a general assignment or enters into an arrangement or composition with or for the benefit of its creditors in respect of all or a material part of (or a particular type of) its indebtedness;
- (viii) Winding-up: a resolution being passed or an order of court is made that the Issuer be wound up or similar proceedings which are reasonably determined by the Trustee to be analogous in effect being instituted (other than for the purposes of an intra Group reorganisation or an amalgamation, merger or reconstruction the terms whereof have previously been approved by the Trustee unless during or following such reconstruction, the Issuer becomes or is declared to be insolvent) or a bona fide petition (which for the avoidance of doubt, excludes frivolous or vexatious petition) is presented for the winding-up or dissolution of the Issuer by an order of a court of competent jurisdiction unless such petition is stayed, withdrawn or dismissed within sixty (60) days (or such extended period as the Trustee may consent, such consent not to be unreasonably withheld) of its presentation; or the Issuer undergoes any scheme of reconstruction, arrangement or compromise pursuant to Section 176 of the Companies Act 1965 or the same has been instituted against it. For the purpose of this sub-clause,

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

“Group” shall mean the Issuer and its subsidiaries, if any;

- (ix) Cross default: any indebtedness of any member of the Group for monies borrowed becomes due or payable or capable of being declared due or payable prior to its stated maturity by reason of a default by any member of the Group in its obligations in respect of the same, or any member of the Group fails to make any payment in respect thereof on the due date for such payment or if due on demand when demanded or the security for any such indebtedness becomes enforceable or any guarantee or similar obligations of any member of the Group for any such indebtedness is not discharged at maturity or when called provided that no dissolution event under this sub-clause (ix) shall occur in the event that the Issuer is able to furnish or cause to furnish to the Trustee within twenty-one (21) days from the occurrence of such event described in this sub-clause, documentary evidence to the satisfaction of the Trustee that the relevant member of the Group has paid or discharged such indebtedness or successfully secured such creditor's agreement to waive the relevant member of the Group's default or, if a demand for repayment has already been made by such creditor, the creditor has agreed to withdraw such demand and not to take any further action thereunder, or if the aggregate amount of indebtedness for monies borrowed is less than fifty per centum (50%) of the Group's total borrowed monies (including Islamic financing but excluding the MTNs) or RM100.0 million, whichever is the higher. For the purpose of this sub-clause, **“Group”** shall mean the Issuer and its subsidiaries, if any;
- (x) Nationalisation: all or a material part of the property or assets of the Issuer shall be condemned, seized or otherwise appropriated, nationalised or compulsorily acquired by any person acting under the authority of the governmental body, which will

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

- in the reasonable opinion of the Trustee have a material adverse effect;
- (xi) Repudiation: the Issuer repudiates any of the transaction documents or the Issuer does or causes to be done any act or thing evidencing an intention to repudiate any of the transaction documents;
 - (xii) FGI Policy: the Guarantor has served a notice to require the Trustee to make a demand or claim on any FGI Policy pursuant to and in accordance with the terms of the FGI Facility and the FGI Policy. For the purpose of this sub-clause, such notice by the Guarantor requiring the Trustee to demand or claim on a FGI Policy issued in relation to a series / tranche of MTNs shall not constitute an Event of Default in respect of the other series / tranche of MTNs unless the Guarantor has also served a notice to the Trustee to make a demand or claim on the FGI Policies issued in relation to the other series / tranche of MTNs;
 - (xiii) Judgment passed: the issuer fails to satisfy any judgment which has a material adverse effect passed against it by any court of competent jurisdiction and no appeal against such judgment has been made to the appropriate appellate court within the time prescribed by law or such appeal has been dismissed;
 - (xiv) Concession Agreement: the Concession Agreement is terminated, repudiated, rescinded or for any other reason cease to be of full force and effect;
 - (xv) Cessation of business: the Issuer ceases to carry on all or a substantial part of its business operations as at the date of the Trust Deed. Which will in the reasonable opinion of the Trustee have a material adverse effect;
 - (xvi) Events relating to the Guarantor: the occurrence of any of the following events in respect of the Guarantor:
 - (a) the FGI Policy ceases to be, or is

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

claimed by the Guarantor not to be, in full force and effect;

- (b) it is or will become unlawful for the Guarantor to perform or comply with any one or more of its obligations under the FGI Policy;
- (c) a resolution being passed or an order of court is made that the Guarantor be wound up or similar proceedings which are reasonably determined by the Trustee to be analogous in effect being instituted or a bona fide petition (which for the avoidance of doubt, excludes frivolous or vexatious petitions) is presented for the winding-up or dissolution of the Guarantor by an order of a court of competent jurisdiction unless an application to stay, withdraw or dismiss such petition has been filed by the Guarantor with the relevant authority within thirty (30) days of its presentation and such petition is stayed, withdrawn or dismissed within seventy five (75) days of its presentation;
- (d) other than such failure by the Guarantor as described in sub-clause (xvi)(f), the Guarantor stops or threatens to stop payment in respect of its obligations generally or any other debenture of or monies borrowed or any guarantee or indemnity given by the Guarantor is not honoured when due and called upon or any indebtedness of the Guarantor for monies borrowed becomes due or payable or capable of being declared due or payable prior to its stated maturity by reason of a default by the Guarantor in its obligations in respect of the same, or the Guarantor fails to make any payment in respect thereof on the due date for such payment or if due on demand when demanded or the security for any such indebtedness becomes enforceable or any guarantee

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

or similar obligations of the Guarantor is not discharged at maturity or when called provided that the aggregate amount of the Guarantor's obligations in respect of which one or more of the events set out in this sub-clause (d) has occurred equals or exceeds RM100,000,000-00;

- (e) the Guarantor ceases to carry on its business operation as carried out as at the date of the Trust Deed;
- (f) the Guarantor fails to pay any amount due from it under any FGI Policy when due and called upon;
- (g) the Guarantor defaults in the performance of any covenant (other than the covenant to pay) in the FGI Policy and if such default is in the reasonable opinion of the Trustee capable of remedy, such default shall continue for a period of thirty (30) days after written notice thereof shall have been given to the Guarantor by the Trustee and such event is materially prejudicial to the interests of the MTN holders;
- (h) any representation, warranty or statement which is made by the Guarantor in the FGI Policy is or proves to be incorrect or misleading in any material respect;
- (i) the Guarantor repudiates the FGI Policy or does or causes to be done any act or thing evidencing an intention to repudiate the FGI Policy;
- (j) the Guarantor declares a moratorium on the payment of the principal or interest on its indebtedness;
- (k) the Guarantor is unable to pay its debts within the meaning of Section 218(2) of the Companies Act, 1965 or becomes unable to pay any of its debts as they become due or stops or suspends or threatens to suspend payment with

respect to all or any class of its debts;

- (l) an encumbrancer takes possession of, or a trustee, liquidator, receiver or similar officer is appointed in respect of, all or a substantial part of the business, assets or undertaking of the Guarantor and is not paid out, withdrawn or discharged within thirty (30) days of such appointment, and which in the reasonable opinion of the Trustee have a material adverse effect;
- (m) the Guarantor makes a general assignment or enters into an arrangement or composition with or for the benefit of its creditors in respect of all or a material part of (or a particular type of) its indebtedness.

Upon the occurrence of any of the events above (other than the events referred to in sub-clauses (i)(1), (xii) and (xvi)(f)), the Trustee may, or shall if directed to do so by the MTN holders of all series/tranche pursuant to a special resolution, declare that an event of default (other than the events referred to in sub-clauses (i)(1), (xii) and (xvi)(f)) has occurred in respect of the MTNs of all series/tranche, whereupon:-

- 1) all outstanding MTNs under the Programme shall become immediately due and payable; and
- 2) if so directed by the MTN holders pursuant to a special resolution, the Trustee shall submit a claim on all the FGI Policies.

Upon the occurrence of the event of default referred to in sub-clause (i)(1) in relation to a series/tranche of MTNs (all of such MTNs belonging to such series/tranche is hereinafter referred to as “**Affected Series/Tranche**”), the Trustee shall without the need to seek further instructions or directions from the MTN holders of the Affected Series/Tranche, declare that such event of default has occurred in respect of the Affected Series/Tranche, whereupon:-

- 1) all outstanding sums in respect of the Affected

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

Series/Tranche shall become immediately due and payable; and

- 2) the Trustee shall submit a claim on the FGI Policy in respect of the Affected Series/Tranche.

For the avoidance of doubt, apart from the Affected Series/Tranche, all other series/tranche of the MTNs will continue unaffected and will continue to be guaranteed under the respective FGI Policies.

Upon the occurrence of the event of default referred to in sub-clause (xii) in relation to a series/tranche of MTNs (all of such MTNs belonging to such series/tranche are hereinafter referred to as “**Invited Series/Tranche**”), the Trustee shall without the need to seek further instructions or directions from the MTN holders of the Invited Series/Tranche, declare that such event of default has occurred in respect of the Invited Series/Tranche, whereupon:-

- 1) all outstanding sums in respect of the Invited Series/Tranche shall become immediately due and payable; and
- 2) the Trustee shall submit a claim on the FGI Policy in respect of the Invited Series/Tranche.

For the avoidance of doubt, apart from the Invited Series/Tranche, all other series/tranche of the MTNs will continue unaffected and will continue to be guaranteed under the respective FGI Policies.

Upon the occurrence of the event of default referred to in sub-clause (xvi)(f), the Trustee shall without the need to seek further instructions or directions from the MTN holders of all the other series/tranche other than the Affected Series/Tranche which the Guarantor has failed to pay such amount that is due and called upon it (such other series/tranche is hereinafter referred to as “**Unaffected Series/Tranche**”), declare that such event of default has occurred in respect of all the Unaffected Series/Tranche, whereupon:-

- 1) all outstanding sums in respect of all the Unaffected Series/Tranche shall become

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

immediately due and payable; and

- 2) the Trustee shall submit a claim on the FGI Policies in respect of all the Unaffected Series/Tranche.

(t) Covenants

- (i) **Positive covenants** : Positive covenants customary for financing of this nature, including but not limited to:
- (i) the Issuer shall comply with all applicable laws, regulations and guidelines;
 - (ii) the Issuer shall perform all its obligations under and comply with the provisions of the transaction documents to which it is a party and the terms and conditions of the MTN Programme;
 - (iii) the Issuer shall maintain its corporate legal existence;
 - (iv) the Issuer shall obtain, preserve, keep in force and effect and promptly renew from time to time all licenses, rights, authorisations, approvals, consents and exemptions, registrations, recordings, filings or notarisations which are required under the applicable law or regulation including those necessary for the Issuer to own its assets, to carry out the business of the Issuer or to ensure the validity, enforceability or priority of its liabilities and obligations or the rights of the Trustee, the MTN holders or any other party under the transaction documents and shall comply with the terms and conditions of the same;
 - (v) the Issuer shall keep and maintain proper books and accounts at all times in accordance with approved accounting standards in Malaysia and those financial statements (including income statement and balance sheet) shall give a true and fair view of the results of the operations of the Issuer and to provide the Trustee and any person appointed by it (e.g. auditors) access to such books and accounts to the extent permitted by law and upon written notice from the

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

- Trustee requesting the same provided always that the Trustee undertakes to keep such information to which it has access on a confidential basis;
- (vi) the Issuer shall promptly notify the Trustee on any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer before any court or tribunal or administrative agency;
 - (vii) the Issuer shall preserve and maintain good and valid title to its properties and assets;
 - (viii) the Issuer shall pay and discharge all taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (a) payment is being contested in good faith, (b) adequate reserves are being maintained for those taxes, or (c) payment can be lawfully withheld;
 - (ix) to the extent required by law, the Issuer shall punctually pay and discharge all indebtedness payable by it;
 - (x) the Issuer shall deliver to the Trustee as soon as they become available its audited financial statements, and its unaudited financial statements for that period;
 - (xi) the Issuer shall utilise the issue proceeds for the purpose as represented in the transaction documents;
 - (xii) the Issuer shall deliver to the Trustee any information which the Trustee may reasonably require in order to discharge its duties and obligations under the transaction documents relating to the Issuer's affairs to the extent permitted by law;
 - (xiii) the Issuer shall appoint from time to time such auditor or firm of auditors duly licensed by its respective governing bodies;
 - (xiv) the Issuer shall exercise reasonable diligence in carrying out its business in a proper and efficient manner which should ensure,

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

- amongst others, that all necessary approvals or relevant licenses are obtained and maintained;
- (xv) the Issuer shall ensure that the terms in any of the transaction documents do not contain any matter which is inconsistent with the provisions of the information memorandum issued in relation to the MTN Programme;
 - (xvi) the Issuer shall maintain at all times a paying agent or its equivalent, who is based in Malaysia;
 - (xvii) the Issuer shall procure that the paying agent shall notify the Trustee in the event that the paying agent does not receive payment from the Issuer on the due dates as required under the transaction documents and the terms and conditions of the MTNs;
 - (xviii) The Issuer shall inform the Trustee in the event that the Issuer becomes aware of the following:
 - (a) any event of default or that such other right or remedy under the terms, provisions and covenants of the transaction documents and the FGI Policy have become immediately enforceable;
 - (b) any circumstance that has occurred that would materially prejudice the Issuer or the Guarantor;
 - (c) any substantial change in the nature of the business of the Issuer or Guarantor;
 - (d) a change in the name of the Guarantor;
 - (e) any cessation of liability of the Guarantor for the payment of the whole or part of the moneys for which the Guarantor is liable under the FGI Policy;
 - (f) any change in withholding tax position or taxing jurisdiction of the Issuer (where applicable);
 - (g) any change in the utilisation of proceeds of the MTNs; or

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

- (h) any other matter that may materially prejudice the interest of the MTN holders.
- (xix) the Issuer shall deliver to the Trustee any other accounts, reports, notices, statements or circulars issued to shareholders (or class thereof);
- (xx) the Issuer shall deliver to the Trustee at least annually a certificate that the Issuer has complied with its obligations under the transaction documents and the terms and conditions of the MTNs and that there did not exist or had not existed, from the date the first MTN was issued or date of the previous certificate as the case may be, any Event of Default, where applicable and if such is not the case, to specify the same; and

such other positive covenants as may be advised by the Solicitors, to be agreed by the Lead Arranger and Guarantor.

- (ii) Negative covenants** : Negative covenants customary for financing of this nature, including but not limited to:
- (i) the Issuer shall not reduce or alter or to reduce or alter in any way whatsoever except increase, its authorised or issued and paid-up capital;
 - (ii) the Issuer shall not dissolve its affairs or consolidate with or merge with any other person or into another entity or otherwise;
 - (iii) the Issuer shall not cancel, surrender, transfer, assign, relinquish or otherwise dispose any of its rights and interest under the transaction documents without the consent of the Trustee, whose consent shall be not unreasonably withheld;
 - (iv) the Issuer shall not permit any change the nature or scope of its existing business or operations or suspend its existing business operations;
 - (v) the Issuer shall not add to, delete, vary, amend or substitute its memorandum and articles of association in any manner that

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

may adversely affect the ability of the Issuer to perform any of its obligations under any of the transaction documents whatsoever or will be inconsistent with the provisions of any of the transaction documents unless such addition, deletion, variation, amendment or substitution is required in compliance with regulatory requirements;

- (vi) the Issuer shall not cancel, surrender, abandon or otherwise amend or permit to be cancelled, surrendered, abandoned or otherwise amended, any licences, grant, consents, approvals or authorisations in any way, unless imposed by any applicable law or authorities;
- (vii) the Issuer shall not enter into a transaction, whether directly or indirectly with interested persons (including a director, substantial shareholder or persons connected with them) unless such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons; and
- (viii) such other negative covenants as may be advised by the Solicitors, to be agreed by the Lead Arranger and Guarantor.

(u) Provisions on buy-back and early redemption of bonds : Not applicable.

(v) Other principal terms and conditions for the issue

(i) Financial Guarantee Insurance Facility

The Guarantor shall issue a financial guarantee insurance policy ("**FGI Policy**") in favour of the Trustee to guarantee all principal and one interest/coupon payment obligations of the Issuer under each issuance of the MTNs issued under the MTN Programme pursuant to the Financial Guarantee Insurance Facility ("**FGI Facility**") (other than interest on late payment and other charges in respect of the MTNs).

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

Each FGI Policy shall only allow for one (1) demand to be made against the Guarantor.

(ii) Redemption / open market acquisition and cancellation

: Unless previously purchased and cancelled, the MTNs will be redeemed at their nominal value on their respective maturity dates or upon declaration of an Event of Default, whichever is earlier.

The Issuer or any of its interested persons (as defined in the Trust Deed) may at any time acquire the MTNs in the open market or otherwise, at any price. The MTNs so acquired by the Issuer or its subsidiaries or by agents of the Issuer or its subsidiaries, who are acting in respect of such acquisition, must be cancelled and cannot be resold or reissued. The MTNs so acquired by the interested persons of the Issuer which are not the Issuer's subsidiaries will not entitle them to vote at any meetings of the MTN holders and will not be deemed to be outstanding for the purpose of determining the total votes exercisable by the MTN holders whenever such determination is required under the Trust Deed.

The Issuer shall confirm in writing to the Trustee that (i) the aggregate nominal amount and certificate numbers (if applicable) of those MTNs which have been purchased and cancelled, and (ii) such MTNs have been cancelled, as soon as reasonably possible (and in any event within fourteen (14) days after the date of acquisition).

(iii) Adverse Market

: From the date of provision of a formal offer by the Lead Arranger until the first issue date of the MTNs and, for subsequent issuance of the MTNs, prior to the respective issuance dates, the Lead Arranger retains the right to amend, withdraw and/or terminate the offer if there occurs any event or circumstance which, in the reasonable opinion of the Lead Arranger, may materially and adversely affect any of the international and domestic money, capital or syndicated loan markets, the business activities of the Issuer, and/or the social, political, financial and/or economic situation in Malaysia.

(iv) Clear Market

: For the first issuance of the MTNs, from the date of provision of a formal offer by the Lead Arranger to

SEGI ASTANA SDN BHD

Proposed Issue of RM470.0 Million in Nominal Value of Medium Term Notes Guaranteed by Danajamin Nasional Berhad pursuant to a Medium Term Notes Programme

sixty (60) days after the first issuance of the MTNs and for the subsequent issuance of the MTNs from sixty (60) days before the relevant target issuance date to sixty (60) days after the relevant actual issuance date, the Issuer shall ensure that no other borrowings, debt instruments or securities issued and/or guaranteed by the Issuer are mandated, syndicated, drawn down or issued which may, in the opinion of the Lead Arranger, have the effect of prejudicing the successful completion of this transaction and the tender and/or placement and/or selling down of the MTNs.

- (v) Interest on late payment(s)** : In the event of overdue payment of any sums covenanted to be paid, the Issuer shall pay default interest of 1% above the prevailing Malayan Banking Berhad's base lending rate on such overdue amounts.
- (vi) Taxation** : All payments by the Issuer shall be made without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia, or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law, in which event the Issuer shall be required to make such additional amount so that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made.
- (vii) Governing Laws** : Laws of Malaysia.
- (viii) Jurisdiction** : The Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdictions of the courts of Malaysia.