

Tanjung Bin Energy Sdn Bhd ("Issuer" or TBE)

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Tanjung Bin Energy Sdn Bhd ("Issuer" or "TBE")
- (2) Address : Registered Address: Level 12, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur.
Business Address: Level 12, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur.
- (3) Date of incorporation: 21 April 1999
- (4) Place of incorporation : Malaysia
- (5) Business registration: 199901006682 (481582-X)
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : Design, engineering procurement, construction, installation and commissioning testing, operation and maintenance of a 1,000 MW coal-fired electricity generating facilities.
- (10) Issued and paid-up : As at 23 March 2021, the issued and paid-up share capital of the Issuer is
share capital RM76,381,918.00 divided into 5,000,000 ordinary shares and 71,381,918 preference shares.
- (11) Structure of : The name of shareholder and structure of shareholding of the Issuer as at 23
shareholdings and March 2021 are as follows:
names of
shareholders or, in
the case of a public
company, names of
- (a) Ordinary Shareholding
- | Name of Shareholder | Number of Ordinary Shares Held | % of Equity Held |
|-----------------------------|--------------------------------|------------------|
| Malakoff Corporation Berhad | 5,000,000 | 100.00 |

Tanjung Bin Energy Sdn Bhd ("Issuer" or TBE)

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

all substantial
shareholders

(b) Preference Shareholding

Name of Shareholder	Number of Preference Shares Held	% of Preference Shares Held
Malakoff Corporation Berhad	71,381,918	100.00

(12) Board of directors :

No.	Name
1	Mohammed Azmil bin Ismail
2	Mohd Nazersham bin Mansor
3	Anwar Syahrin bin Abdul Ajib

(13) Disclosure of the :
following

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

Tanjung Bin Energy Sdn Bhd ("Issuer" or TBE)

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

(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) PARTIES TO THE TRANSACTION

(a) Origination

No.	Roles	Name of parties
1	Issuer	Tanjung Bin Energy Sdn Bhd
2	Principal Adviser	CIMB Investment Bank Berhad
3	Principal Adviser	RHB Investment Bank Berhad
4	Lead Arranger	CIMB Investment Bank Berhad
5	Lead Arranger	RHB Investment Bank Berhad
6	Solicitors	Messrs Shearn Delamore & Co. ("Solicitors")
7	Shariah Adviser	CIMB Islamic Bank Berhad
8	Shariah Adviser	RHB Islamic Bank Berhad
9	Sukuk Trustee	Malaysian Trustees Berhad ("Sukuk Trustee")

Tanjung Bin Energy Sdn Bhd ("Issuer" or TBE)

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

10	Security Trustee	Malaysian Trustees Berhad ("Security Trustee")
11	Credit Rating Agency	RAM Rating Services Berhad
12	Reporting Accountant	KPMG PLT

(b) At the point of distribution

No.	Roles	Name of parties
1	Issuer	Tanjung Bin Energy Sdn Bhd
2	Lead Manager	CIMB Investment Bank Berhad
3	Lead Manager	RHB Investment Bank Berhad
4	Central Depository	Bank Negara Malaysia ("BNM")
5	Paying Agent	BNM
6	Facility Agent	RHB Investment Bank Berhad

(c) After distribution

No.	Roles	Name of parties
1	Issuer	Tanjung Bin Energy Sdn Bhd
2	Principal Adviser	CIMB Investment Bank Berhad
3	Principal Adviser	RHB Investment Bank Berhad
4	Facility Agent	RHB Investment Bank Berhad
5	Sukuk Trustee	Malaysian Trustees Berhad
6	Shariah Adviser	CIMB Islamic Bank Berhad
7	Shariah Adviser	RHB Islamic Bank Berhad

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

8	Security Trustee	Malaysian Trustees Berhad
9	Central Depository	BNM
10	Paying Agent	BNM
11	Credit Rating Agency	RAM Rating Services Berhad

(C) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").
- (2) One-time issue or programme : Programme
- (3) Shariah principles (for sukuk) : 1. Murabahah (via Tawarruq arrangement)
2. Hiwalah (Transfer of debt)
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : **Murabahah (via Tawarruq arrangement)**
The Sukuk Murabahah will be issued from time to time based on the Shariah principle of Murabahah (via Tawarruq arrangement) based on a Commodity Murabahah structure in the following form:
(1) The Sukuk Trustee, on behalf of the holders of the Sukuk Murabahah ("**Sukukholders**"), and the Issuer shall enter into an agency agreement ("**Agency Agreement**"), pursuant to which the Issuer is appointed as the agent of the Sukukholders (in such capacity, the "**Agent**") for the purchase and sale of certain Shariah-compliant commodities, which exclude ribawi items in the category of medium of exchange such as currency, gold and silver ("**Commodities**"). The Agent shall then enter into a sub-agency agreement ("**Sub-Agency Agreement**") to appoint the Facility Agent as a sub-agent (in such capacity, the "**Sub-Agent**") for the purchase and sale of the Commodities.
(2) Pursuant to a commodity Murabahah master agreement to be entered into between the Issuer as purchaser ("**Purchaser**"), the Sukuk Trustee (on behalf of the Sukukholders), the Agent and the Sub-Agent ("**Commodity Murabahah Master Agreement**"), the Purchaser shall from time to time, issue a purchase order ("**Purchase Order**") to the Agent and the Sub-Agent. In the Purchase Order, the Purchaser will:
(a) request the Agent and the Sub-Agent to purchase the Commodities on behalf of the Sukukholders; and

Principal Terms and Conditions

(b) irrevocably and unconditionally undertake to subsequently purchase the Commodities from the Sukukholders via the Sub-Agent at the Deferred Sale Price (as defined below).

(3) Based on the Purchase Order, the Sub-Agent, pursuant to a CTP purchase agreement to be entered into between the Sub-Agent and the Commodity Trading Participant ("**CTP**") ("**CTP Purchase Agreement**"), shall appoint the CTP to purchase on a spot basis the Commodities from commodity vendor(s) in the Bursa Suq Al-Sila' commodity trading platform or other independent commodity trading platform acceptable to CIMB Islamic Bank Berhad and RHB Islamic Bank Berhad (collectively, the "**Joint Shariah Advisers**"), which shall be identified prior to the issuance of the Sukuk Murabahah ("**Commodity Seller**") at a purchase price which shall be an amount equivalent to the Sukuk Murabahah proceeds ("**Purchase Price**"). The Purchase Price shall be in line with the asset pricing requirements stipulated under the Securities Commission Malaysia ("**SC**")'s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 and effective on 15 June 2015, and revised on 12 November 2020 (as amended from time to time) ("**LOLA Guidelines**").

(4) The Issuer shall then issue the Sukuk Murabahah whereby the proceeds thereof shall be used to pay for the Purchase Price. The Sukuk Murabahah shall evidence the Sukukholders' ownership of the Commodities and subsequently once the Commodities are sold to the Purchaser, the Sukukholders' entitlement to receive the Deferred Sale Price payable by the Purchaser which shall be the Purchase Price plus the profit margin payable on a deferred basis ("**Deferred Sale Price**").

(5) Thereafter, pursuant to a sale and purchase agreement ("**Sale and Purchase Agreement**"), the Sub-Agent (acting as agent to the Agent for and on behalf of the Sukukholders) shall sell the Commodities to the Purchaser at the Deferred Sale Price.

(6) Upon completion of such purchase, the Purchaser, pursuant to a CTP sale agreement to be entered into between the Purchaser and the CTP ("**CTP Sale Agreement**"), shall appoint the CTP to sell the Commodities to Bursa Malaysia Islamic Services Sdn Bhd or other independent commodity trading platform acceptable to the Joint Shariah Advisers, which shall be identified prior to the issuance of the Sukuk Murabahah ("**Commodity Buyer**") on a spot basis for an amount equal to the Purchase Price. The CTP Sale Agreement will provide for the CTP (on behalf of the Purchaser) to directly sell the Commodities to the Commodity Buyer upon notice by the Purchaser that the Sale and Purchase Agreement has been completed and executed.

(7) During the tenure of the Sukuk Murabahah, the Purchaser shall make periodic profit payments on the periodic profit payment date(s) forming part of the Deferred Sale Price and on the date of maturity of the Sukuk Murabahah ("**Maturity Date**") to the Sukukholders. On the Maturity Date or upon any declaration of an Event of Default (as defined in the section entitled "*Other terms and conditions*"), the Purchaser shall pay all amounts then outstanding on the Deferred Sale Price as a final settlement (subject to the Ibra' (as defined below), where applicable) whereupon the Sukuk Murabahah shall be cancelled.

Hiwalah (Transfer of debt)

For the first issuance of Sukuk Murabahah, the Sukuk Murabahah will be issued to

Principal Terms and Conditions

facilitate a proposed exercise which entails the Issuer repaying the amount owing to Tanjung Bin Energy Issuer Berhad (Registration No. 201101041020 (969142-W)) ("**TBEI**") by way of issuance of Sukuk Murabahah to the holders of the TBEI Outstanding IMTNs (as defined in the section entitled "*Other terms and conditions*") of up to Ringgit Malaysia Three Billion and Five Million (RM3,005,000,000.00) in consideration of which the holders of the TBEI Outstanding IMTNs shall surrender their TBEI Outstanding IMTNs to TBEI for cancellation ("**Proposed Exercise**") in accordance with the Shariah principle of Hiwalah. The Sukuk Murabahah to be issued pursuant to the Proposed Exercise will be at par and shall have the identical maturity date, profit rate and profit payment dates of the TBEI Outstanding IMTNs.

The Proposed Exercise will be documented by way of a Hiwalah agreement ("**Hiwalah Agreement**") which is to be entered into between TBEI, the Issuer, the sukuk trustee for the TBEI Outstanding IMTNs (on behalf of the holders of the TBEI Outstanding IMTNs) and the Sukuk Trustee for the Sukuk Murabahah Programme.

1. Under the TBEI Outstanding IMTNs issued by TBEI, TBEI has the obligations to pay the deferred sale price which shall be equivalent to the purchase price of the TBEI Outstanding IMTNs and a mark-up (profit) payable on deferred payment basis ("**TBEI Deferred Sale Price**") to the holders of the TBEI Outstanding IMTNs ("**TBEI Sukukholders**"), arising from the previous Commodity Murabahah transactions. Pursuant to the Proposed Exercise, TBEI (as the "**Transferor**") shall transfer its obligations in respect of the TBEI Deferred Sale Price to the Issuer.

2. The Transferor, the Issuer (the "**Transferee**"), the sukuk trustee for the TBEI Outstanding IMTNs (on behalf of the TBEI Sukukholders) and the Sukuk Trustee for the Sukuk Murabahah Programme (on behalf of the Sukukholders) will enter into a Hiwalah Agreement. Pursuant to the Hiwalah Agreement, the Transferor will make an offer to transfer the Transferor's outstanding obligations under the TBEI Deferred Sale Price ("**Outstanding Deferred Sale Price**") to the Transferee and the Transferee will accept the said obligations under the Shariah principle of Hiwalah and to be agreed by the sukuk trustee for the TBEI Outstanding IMTNs (on behalf of the TBEI Sukukholders). For the avoidance of doubt, this shall not be deemed as a redemption under the TBEI Outstanding IMTNs but upon the implementation of the Proposed Exercise, all liabilities of TBEI under the TBEI Outstanding IMTNs shall be extinguished and cancelled.

3. Subsequently, the Transferee (as the Issuer) shall issue the Sukuk Murabahah to the TBEI Sukukholders which represent the Outstanding Deferred Sale Price that have been transferred. Upon the transfer of the Outstanding Deferred Sale Price to the Transferee, the Transferor will be free from all its obligations under the TBEI Outstanding IMTNs and the TBEI Sukukholders will then have the rights and claims against the new debtor i.e. the Issuer. The global certificate for the TBEI Outstanding IMTNs will be replaced with the global certificate for the Sukuk Murabahah.

4. During the tenure of the Sukuk Murabahah, the Issuer shall make periodic payments to the Sukuk Trustee (acting for the Sukukholders) to meet its obligations under the Sukuk Murabahah to the Sukukholders. Each such payment shall pro tanto reduce the Issuer's obligations under the Sukuk Murabahah. On the date of maturity of the Sukuk Murabahah, all amounts then outstanding under the Sukuk Murabahah shall be paid by the Issuer to the Sukuk Trustee, whereupon the Sukuk Murabahah shall be redeemed in full.

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

- (5) Currency : Ringgit
- (6) Expected facility/ programme size : Up to MYR 4,500,000,000.00
- (7) Option to upsize (for : No
programme)
- (8) Tenure of facility/ programme : 20 year(s)
- (9) Availability period for: debt/ sukuk programme : The Sukuk Murabahah shall be available for issuance upon completion of documentation and fulfilment of all conditions precedent under the Sukuk Murabahah Programme to the satisfaction of CIMB Investment Bank Berhad and RHB Investment Bank Berhad (collectively, "**Joint Principal Advisers/Joint Lead Arrangers**" or "**JPAAs/JLAs**") (unless otherwise waived or deferred by the JPAs/JLAs) and ending on the expiry date of the Sukuk Murabahah Programme.
- The first issuance shall be made within sixty (60) business days (or such extension period as may be allowed or granted by the SC) from the date of the lodgement with the SC.
- (10) Clearing and settlement platform : Payments Network Malaysia Sdn Bhd ("**PayNet**").
- (11) Mode of issue : ☒ Private/direct placement
☒ Bought deal
☒ Book building
- (12) 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
☒ Read together with Schedule 9 of CMSA
☒ Section 2(6) of the Companies Act 2016

Additional Notes:

Selling Restrictions at issuance:

The Sukuk Murabahah may only be offered or sold, transferred or otherwise disposed of, directly or indirectly to a person to whom an offer or invitation to subscribe to the Sukuk Murabahah would fall within Part 1 of Schedule 6 or Section 229(1)(b) and Part 1 of Schedule 7 or Section 230(1)(b) of the the Capital

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

Market and Services, Act 2007, as may be amended or replaced from time to time ("**CMSA**") read together with Schedule 9 or Section 257(3) of the CMSA, and Section 2(6) of the Companies Act 2016, as amended or replaced from time to time ("**Companies Act**").

Selling Restrictions thereafter:

The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to purchase the Sukuk Murabahah would fall within Part 1 of Schedule 6 or Section 229(1)(b) of the CMSA read together with Schedule 9 or Section 257(3) of the CMSA, and Section 2(6) of the Companies Act.

- (13) Tradability and transferability : Size in Ringgit which are tradable and transferable:
MYR 4,500,000,000.00
- Size in Ringgit which are non-tradable and non-transferable:
Not applicable
- (14) Secured/combination of unsecured and secured, if applicable :
- (a) a second legal charge incorporating a first ranking fixed charge over the lease in respect of the Project Site (as defined in the section entitled "*Other terms and conditions*") by the Issuer ("**Lease Charge**") upon the receipt of the consent from the relevant authorities, which shall rank *pari passu* in point of priority, security and payment with the following existing charges created by the Issuer as security for the Existing TBEI Financings (as defined in the section entitled "*Other terms and conditions*"):
- (i) charge over lease vide presentation no. 10727/2015 on 11 February 2015; and
- (ii) charge over lease vide presentation no. 8508/2016 on 16 February 2016;
- (b) a second legal charge incorporating a first ranking fixed charge over the sub-lease in respect of the Project Site by the Issuer ("**Sub-lease Charge**") upon the receipt of the consent from the relevant authorities, which shall rank *pari passu* in point of priority, security and payment with the existing charge over sub-lease vide presentation no. 71426/2012 on 4 September 2012 created by the Issuer as security for the Existing TBEI Financings;
- (c) a first legal charge incorporating a first ranking fixed charge over the New Coal Jetty Land (as defined in the section entitled "*Other terms and conditions*") by the Issuer upon the receipt of the consent from the relevant authorities;
- (d) a second debenture incorporating a first ranking fixed and floating charge on the assets of the Issuer, both present and future, which shall rank *pari passu* in point of priority, security and payment with the existing debenture dated 1 March 2012 created by the Issuer as security for the Existing TBEI Financings;
- (e) a first ranking assignment of the Issuer's rights, interests, titles and benefits under the Project Documents (as defined in the section entitled "*Other terms and conditions*") to which it is a party (which shall exclude the Takaful/Insurances and the Warranty Bonds (both as defined in the section entitled "*Other terms and conditions*")) and the proceeds and revenue therefrom ("**TBE Assignment of Project Documents**");
- (f) a first ranking assignment of the Issuer's rights, interests, titles and benefits in all Warranty Bonds issued or to be issued in favour of the Issuer ("**TBE**

Principal Terms and Conditions

Assignment of Warranty Bonds");

(g) a first ranking assignment of the Issuer's rights, interests, titles and benefits in all Takaful/Insurances which are undertaken by, issued in favour of or for the benefit of the Issuer ("**TBE Assignment of Takaful/Insurances**");

(h) a first ranking assignment of the Issuer's rights, interests, titles and benefits in the Designated Accounts (as defined herein) opened and maintained by the Issuer and the credit balances therein;

(i) a second charge incorporating a first ranking fixed charge by the Issuer over all ordinary and preference shares in TBEI, which shall rank *pari passu* in point of priority, security and payment with the existing memorandum of deposit dated 1 March 2012 created by the Issuer as security for the Existing TBEI Financings, which shall be released upon the full repayment/settlement of the Senior Loan Facilities (as defined in the section entitled "*Other terms and conditions*") and the discharge/fulfillment/expiry of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly;

(j) a first ranking assignment of the rights, interests, titles and benefits of TBEI under the Project Documents to which it is a party (which shall exclude the Warranty Bonds) and the proceeds and revenue therefrom ("**TBEI Assignment of Project Documents**"), which shall be released upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment/expiry of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly;

(k) a first ranking assignment of TBEI's rights, interests, titles and benefits in all Warranty Bonds issued or to be issued in favour of TBEI ("**TBEI Assignment of Warranty Bonds**"), which shall be released upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment/expiry of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly;

(l) a second debenture incorporating a first ranking fixed and floating charge on the assets of TBEI, both present and future, which shall rank *pari passu* in point of priority, security and payment with the existing debenture dated 1 March 2012 created by TBEI as security for the Existing TBEI Financings, which shall be released upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment/expiry of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly;

(m) a first ranking assignment of TBEI's rights, interests, titles and benefits in the Designated Accounts opened and maintained by TBEI and the credit balances therein, which shall be released upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment/expiry of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly;

(n) a second charge incorporating a first ranking fixed charge by Malakoff Corporation Berhad (Registration No. 200601011818 (731568-V)) ("**MCB**") over all

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

ordinary and preference shares in TBE, which shall rank *pari passu* in point of priority, security and payment with the existing memorandum of deposit dated 1 March 2012 created by MCB as security for the Existing TBEI Financings; and

(o) any other security as advised by the legal counsel,

(collectively, "**Security Documents**"). The Security Documents shall secure the Sukuk Murabahah Programme and the Senior Loan Facilities, and rank *pari passu* in terms of priority and security amongst the Sukuk Murabahah Programme and the Senior Loan Facilities respectively.

(15) Details of guarantee, if applicable : Not guaranteed

(16) Convertibility of issuance and details of the convertibility : Non-convertible

(17) Exchangeability of issuance and details of the exchangeability : Non-exchangeable

(18) Call option and details, if applicable : No call option

(19) Put option and details, if applicable : No put option

(20) Details of covenants : Positive Covenants

The Issuer covenants that so long as any of the Sukuk Murabahah shall remain outstanding:

(a) the Issuer shall and shall cause each Security Party (as defined in the section entitled "*Other terms and conditions*") to maintain in full force and effect and obtain and promptly renew from time to time and comply with all relevant authorisations, consents, rights, licenses, approvals and permits (in each case, governmental or otherwise) and environmental laws and regulations and will promptly obtain and/or renew any further authorisations, consents, rights, licenses, approvals and permits (in each case, governmental and otherwise) which is or may become necessary:

(i) to enable it to own its assets;

(ii) to carry on its business, where the absence of such authorisations, consents, rights, licences, approvals and permits will have a Material Adverse Effect (as defined in the section entitled "*Other terms and conditions*"); and

(iii) for the entry or performance of its obligations under the Transaction Documents (as defined in the section entitled "*Other terms and conditions*") to which it is a

Principal Terms and Conditions

party or to ensure the legality, validity, enforceability, admissibility in evidence of the obligations of the Issuer or of the priority or rights of the Sukukholders under the Transaction Documents provided that this shall not require the Issuer to obtain any authorizations, consents, rights, licenses, approvals and permits (governmental or otherwise) that are required to be personally obtained by the Sukukholders or any other party under the Transaction Documents (other than the Issuer and the relevant Security Party);

(b) the Issuer shall and shall cause each Security Party at all times upon request by the Sukuk Trustee execute or cause to be executed all such further documents and do all such further acts, as are reasonably necessary to give further effect to the terms and conditions of (i) the Financing Documents (as defined in the section entitled "*Other terms and conditions*") and (ii) the Project Documents where failure by the Issuer and/or TBEI to execute such documents or do such acts would have a Material Adverse Effect;

(c) the Issuer shall and shall cause TBEI (until TBEI is voluntarily wound up as contemplated hereunder upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly) to exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices of the power industry and in accordance with its Memorandum and Articles of Association (or Constitution where applicable);

(d) the Issuer shall and shall cause each Security Party to duly perform and observe all its covenants, conditions, provisions and obligations contained in the Transaction Documents to which they are a party provided that in relation to the Project Documents, no breach of this clause will arise from the failure of the Issuer and/or TBEI to perform any obligation thereunder if the non-performance thereof would not have a Material Adverse Effect;

(e) the Issuer shall procure that the Project (as defined in the section entitled "*Other terms and conditions*") is constructed, operated and maintained in accordance with the Project Documents, good industry practice and all applicable laws;

(f) the Issuer shall:-

(i) maintain the Takaful/Insurances or takaful protection/insurance coverage which is expected to be obtained and maintained by prudent companies in the same industry as the Issuer, from a takaful operator/insurance company acceptable to the Sukuk Trustee, as long as there are monies outstanding under the Sukuk Murabahah Programme;

(ii) not do to the Project, or any part thereof, or bring or keep anything therein or thereon, or permit any other act, matter or thing to happen, whereby any Takaful/Insurances required to be maintained may be rendered void, voidable or incapable of being effected or maintained or render any sum paid out thereunder repayable in whole or in part, nor do or omit to do any other act nor permit any other act to be done or omitted to be done whereby any such Takaful/Insurances or any provision thereof may be suspended, impaired or defeated;

(iii) cause to be endorsed, the interest of the Security Trustee (without liability for premiums) as co-insured and loss payee on the Takaful/ insurances required to be

Principal Terms and Conditions

maintained;

(iv) if so requested by the Security Trustee, deposit the original policy documents and the receipt for the current premiums with the Security Trustee PROVIDED that where required for the purposes of making any claim thereunder, the Security Trustee shall return such originals to the Issuer;

(g) the Issuer shall appoint Auditors (as defined herein) (or in the event of any change thereof, appoint and maintain such firm of independent certified public accountants acceptable to the Sukuk Trustee);

(h) the Issuer shall immediately notify the Sukuk Trustee in writing in the event that the Issuer or any Security Party is unable to fulfil or comply with any of the provisions of the Transaction Documents to which it is a party (which in the case of the Project Documents, non-compliance thereof would have a Material Adverse Effect and/or occurrence of a force majeure event under the PPA (as defined in the section entitled "*Other terms and conditions*"));

(i) the Issuer shall, and shall cause and procure TBEI to (until TBEI is voluntarily wound up as contemplated hereunder upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly) keep proper books and accounts, maintain its records and prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in Malaysia and the financial statements shall give a true and fair view of the results of the operations of the Issuer and TBEI, as the case may be, for the period to which the financial statements are made up and shall disclose or provide against all material liabilities (actual or contingent) of the Issuer and TBEI, as the case may be, and shall provide the Sukuk Trustee and any person appointed by it access to such books and accounts to the extent permitted by law;

(j) the Issuer shall open and maintain, and shall procure TBEI to open and maintain, the relevant Designated Accounts that are Shariah-compliant with a financial institution that is acceptable to the Sukuk Trustee, save that in relation to the RM SLFRA (as defined herein) and the USD SLFRA (as defined herein), the same shall be maintained by TBEI until the full repayment/settlement of the Senior Loan Facilities whereupon the RM SLFRA and the USD SLFRA shall be closed; pay all relevant amounts into such accounts, make all payments from such accounts only as permitted under the Financing Documents, and comply with the terms and conditions of the Financing Documents in all matters concerning the Designated Accounts. Further, the Issuer shall forthwith notify the Sukuk Trustee in writing of any change in the authorised signatories of the Issuer or TBEI to any of the Designated Accounts;

(k) the Issuer shall and shall cause each Security Party to comply with all applicable laws and regulations provided that no breach of this clause will arise from the failure by the Issuer and/or any Security Party to comply with any such law or regulation if the failure does not have a Material Adverse Effect;

(l) the Issuer will, and will cause and procure TBEI to (until TBEI is voluntarily wound up as contemplated hereunder upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided

Principal Terms and Conditions

accordingly) promptly pay all taxes and other government charges when due and before any penalty or interests accrue to them save for those taxes and/ or charges and/or penalties and/or interests accrued on such taxes/charges being contested in good faith by the Issuer or TBEI, as the case may be, and by appropriate means and it is not required under the applicable law to pay such taxes pending determination of the matter and for which the Issuer or TBEI, as the case may be, has adequately set aside or reserved a sum of money therefore;

(m) the Issuer will and will cause each Security Party to do all acts and take all steps necessary or expedient to safeguard and preserve their respective assets (whether in relation to the Project or otherwise) and each part thereof and the title and ownership thereto (other than any transfer of assets required under the PPA or any transfer permitted under the Financing Documents) and the Security Interest (as defined herein) created pursuant to the Financing Documents;

(n) the Issuer will remain resident, for the purposes of the taxation jurisdiction, in Malaysia;

(o) the Issuer shall cause all Subordinated Advances (as defined in the section entitled "*Other terms and conditions*") to be subordinated to the Sukuk Murabahah Programme and no repayment and/or prepayment of such advance shall be made save for Restricted Payment (as defined in the section entitled "*Other terms and conditions*") under paragraph (x) of the section entitled "*Negative Covenants*" below;

(p) the Issuer shall:

(i) ensure that the environmental management plan ("**EMP**") stated, and the environmental mitigation and monitoring measures recommended, in the environmental impact assessment ("**EIA**") are followed in the design, construction, implementation, operation and maintenance of the Project;

(ii) comply with all relevant material environmental laws, permits, guidelines and regulations; and

(iii) take all necessary mitigation measures specified in the EIA to minimize the environmental impact of the Project;

(q) the Issuer shall ensure the Sukuk Murabahah, subject to those preferred by law, at all times rank:

(i) *pari passu*, without discrimination, preference, priority amongst themselves; and

(ii) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer;

(r) the Issuer shall and shall cause TBEI to maintain its rights under the Project Documents to which it is a party and take all reasonable steps to enforce its material rights under the Project Documents to which it is a party;

(s) the Issuer shall ensure that the Sukuk Murabahah constitute direct, unconditional and secured obligations of the Issuer;

(t) the Issuer will comply with its obligations under the PayNet Rules and Procedures (as defined in the section entitled "*Other terms and conditions*") unless waived (where applicable) and, without prejudice to the generality of the foregoing, at all times maintain a Paying Agent with a specified office in Malaysia;

(u) the Issuer will make available to the Sukuk Trustee particulars of all ratings on

Principal Terms and Conditions

the Sukuk Murabahah by the rating agency acceptable to the Sukuk Trustee;

(v) the Issuer will cause and procure the Facility Agent to notify the Sukuk Trustee in writing in the event that the Paying Agent does not receive payment from the Issuer on the due dates as required under the trust deed and the terms and conditions of the Sukuk Murabahah Programme;

(w) the Issuer shall promptly comply with all applicable provisions of the CMSA and/or the notes, circulars, conditions or guidelines issued by the SC, BNM and any other relevant regulatory authorities from time to time in relation to the Sukuk Murabahah Programme; and

(x) the Issuer will ensure that the terms in the Financing Documents of the Sukuk Murabahah Programme do not contain any matter which is inconsistent with the provisions of the information memorandum in respect of the Sukuk Murabahah Programme ("**Information Memorandum**" or "**IM**") ;

(y) the Issuer shall maintain or cause to be maintained in full force and effect and shall comply with the Generation Licence (as defined in the section entitled "*Other terms and conditions*") for the purposes of the Project;

(z) the Issuer shall ensure or procure that MCB holds, either directly or indirectly, a minimum fifty-one per centum (51%) of the ordinary share capital and management control in the Issuer;

(aa) the Issuer shall hold one hundred per centum (100%) interest in TBEI at all times until TBEI is voluntarily wound up as contemplated hereunder upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly;

(bb) in the event the Qualified SBLC (as defined in the section entitled "*Other terms and conditions*") is procured by the Issuer, it shall ensure that such Qualified SBLC shall be without recourse to the Issuer; and

(cc) such other covenants as may be advised by the legal counsel and mutually acceptable to the Issuer, the Security Parties and the JLAs with appropriate thresholds, exclusions and carve outs for each of such covenants to be negotiated and agreed in the Financing Documents.

Negative covenants

The Issuer covenants that so long as any of the Sukuk Murabahah shall remain outstanding, it shall not without the written consent from the Sukuk Trustee:

(a) create or permit to exist and shall cause TBEI to not create or permit to exist any Security Interest on any of its present or future assets, other than the Permitted Security Interests (as defined in the section entitled "*Other terms and conditions*");

(b) sell, transfer or lease or otherwise dispose any assets, save and except (i) where the sale, transfer or lease is solely for the purposes of facilitating Shariah concepts used in Islamic financing facilities granted to the Issuer, (ii) any sale or disposal of any asset which is in the ordinary course of business and on ordinary commercial terms on the basis of arm's length transaction and which will not have a Material Adverse Effect, (iii) any sale or disposal of any assets due to

Principal Terms and Conditions

obsolescence and/or deterioration and which will not have a Material Adverse Effect, or (iv) where required under the Project Documents or permitted under the Financing Documents;

(c) permit any amendment, supplement or variation, and shall cause TBEI not to permit any amendment, supplement or variation, to their respective Memorandum and Articles of Association (or Constitution) in a manner which may be materially prejudicial to the interests of the Sukukholders or which is inconsistent with the provisions of the Transaction Documents;

(d) reduce or in any way whatsoever alter except increase, its authorised or paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stock, or by consolidating, dividing or sub-dividing all or any of its shares;

(e) incur or permit to exist any further indebtedness for borrowed moneys/financings or give any guarantee in respect of any indebtedness of any third party other than the Permitted Indebtedness (as defined in the section entitled "*Other terms and conditions*"), and the Issuer shall ensure that TBEI (i) has no indebtedness (including obligations under guarantees issued in favour of third parties) other than the Senior Loan Facilities, and (ii) will not incur or permit to exist any indebtedness for borrowed moneys/financings or give any guarantee in respect of any indebtedness of any third party once the Senior Loan Facilities have been repaid or settled and the TBEI Sukuk Murabahah has been redeemed;

(f) enter into any derivative transaction save and except for those which have been entered into by the Issuer in relation to the Senior Loan Facilities;

(g) enter into a transaction, whether directly or indirectly with interested persons (including a director, substantial shareholder or persons connected with them) unless (i) 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 (ii) with respect to transactions involving an aggregate payment or value equal to or greater than Ringgit Malaysia Fifty Million (RM50,000,000.00), 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 the transaction complies with paragraph (i), that the Issuer has received the certification referred to in paragraph (ii) (where applicable) and that the transaction has been approved by the majority of the board of directors or shareholders in a general meeting as the case may require;

(h) save and except for the Subordinated Advances, obtain or permit to exist any financing/loans or advances from or to its shareholders, related companies and/or associated companies;

(i) allow and shall cause TBEI not to enter into any transaction, agreement or arrangement with any person other than the Transaction Documents;

(j) grant any loans or lend any money to any party other than to its directors, officers or employees as part of their terms of employment and on ordinary commercial terms of employment, or make any investment other than those currently permitted under the Transaction Documents, and shall procure and ensure that TBEI does not grant any loans or lend any money to any party or make any investment;

Principal Terms and Conditions

(k) (i) engage or carry on and shall cause TBEI not to engage or carry on any other business other than the Project; (ii) cancel, surrender, abandon or otherwise change in any manner the nature or scope of its existing business or the Project; or (iii) suspend or threaten to suspend any part of its business;

(l) consolidate or amalgamate or merge with or into, or transfer all or substantially all its assets to or acquire all or substantially all the assets (including shares and/or stocks of any class, partnership or joint venture interest) of another entity; where, for the avoidance of doubt, the Issuer will be deemed to have acquired substantially all of the ordinary shares of another entity if that entity becomes a subsidiary of the Issuer as a result of the acquisition;

(m) have any subsidiaries (save and except for TBEI, which shall be voluntarily wound up as contemplated hereunder upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly);

(n) enter into any voluntary winding up;

(o) open and shall cause TBEI not to open, any bank accounts other than the Designated Accounts, the trustees' reimbursement account opened in respect of the Perpetual Sukuk Wakalah (as defined in the section entitled "*Other terms and conditions*"), the Sukuk Trustees' Reimbursement Account for Sukukholders' Actions ("**TRA**") and the designated accounts opened in respect of the TBEI Existing Financings (which shall be closed upon the TBEI Sukuk Murabahah having been redeemed). The following terms shall apply to the TRA:-

(i) the sum of Ringgit Malaysia One Hundred Thousand (RM100,000.00) will be maintained at all times throughout the tenure of the Sukuk Murabahah Programme;

(ii) the TRA will be maintained as long as any Sukuk Murabahah is outstanding; and

(iii) the moneys in the TRA will be used by the Sukuk Trustee in carrying out its duties in relation to the occurrence of Event of Default or enforcement events provided for under the Financing Documents pertaining to the Sukuk Murabahah Programme;

(p) incur capital expenditure other than (i) capital expenditure which has already been disclosed in the IM and/or the relevant Transaction Documents for the relevant year, subject to not more than ten per cent (10%) of variance therefrom; (ii) capital expenditure relating to repair or replacement pursuant to insurance claims; and (iii) capital expenditure not exceeding Ringgit Malaysia Fifty Million (RM50,000,000.00) which has been either deferred from the previous year or brought forward from next year based on such capital expenditure disclosed in the IM and/or the relevant Transaction Documents, provided that prior confirmation from the rating agency has been obtained that there is no adverse impact on the rating of the Sukuk Murabahah resulting from such incurrence;

(q) do or omit to do any act, or execute or omit to execute any document, and shall cause TBEI not to do or omit to do any act, or not to execute or omit to execute any document, which may render any of the Project Documents to be illegal, void, voidable or unenforceable;

(r) amend, vary, terminate (except due to lapse of time), replace or supplement or

Principal Terms and Conditions

agree to amend, vary, terminate, replace or supplement, and shall cause TBEI not to amend, vary, terminate (except due to lapse of time), replace or supplement or agree to amend, vary, terminate, replace or supplement, any Project Documents which amendments, variations, termination, replacement or supplement would have a Material Adverse Effect. Subject to the above, the Issuer shall, and shall cause TBEI to, give prior written notice of not less than three (3) days to the Sukuk Trustee of any proposed amendments, variations, terminations, replacements or supplements of any of the Project Documents and provide reasonable details in respect thereof;

(s) waive or agree to waive, and shall cause TBEI not to waive or agree to waive, any breach or proposed breach by its counterparties in any of the Project Documents which would have a Material Adverse Effect;

(t) elect whether to require Tenaga Nasional Berhad (Registration No. 199001009294 (200866-W)) ("**TNB**") to acquire the Power Facility (as defined in the section entitled "*Other terms and conditions*") on the termination of the PPA by the Issuer;

(u) in the case of each of the decisions, discretions or actions under the following Project Documents, make such decision, exercise such discretion or take such action, and shall cause TBEI not to make such decision, exercise such discretion or take such action, without the prior written confirmation of an independent technical adviser as approved by the Sukuk Trustee:

(i) under the PPA: purchasing of coal from third parties where the price to be paid to such third party is not within the threshold to be agreed; or

(ii) under the O&M Agreement (as defined in the section entitled "*Other terms and conditions*"): approving a remedial plan following a Persistent Performance Shortfall (as defined in the O&M Agreement) by the operator;

(v) grant a variation to the operator under the O&M Agreement that would increase the Monthly Operating Fee (as defined in the O&M Agreement) by more than ten per cent (10%), provided that prior confirmation from the rating agency has been obtained that there is no adverse impact on the rating of the Sukuk Murabahah resulting from such variation;

(w) use the proceeds of the Sukuk Murabahah Programme except for the purposes set out in the IM or the relevant Transaction Documents;

(x) declare, pay or make any Restricted Payment unless:

(i) the Distribution FSCR (with Cash) (as defined in the section entitled "*Other terms and conditions*") will be at least 1.55x after the declaration, payment or making of such Restricted Payment;

(ii) the FSCR (without Cash) (as defined in the section entitled "*Other terms and conditions*") for the most recent calculation date was equal to or greater than 1.20x;

(iii) the Senior DE Ratio (as defined in the section entitled "*Other terms and conditions*") will not be breached and no Event of Default or Potential Event of Default (i) has occurred, and is continuing, or (ii) would occur as a result of such Restricted Payment;

(iv) FSRA (as defined herein) and MRA (as defined herein) are fully funded or equivalent security (provided that such security is non-recourse to the Issuer) provided in favour of the Security Trustee, in accordance with the provisions

Principal Terms and Conditions

herein;

(v) the Refinancing SBLC (as defined in the section entitled "*Other terms and conditions*") procured and maintained shall be:

(1) in an amount equal to fifty percent (50%) of the Required Amount (as defined in the section entitled "*Other terms and conditions*"), twenty-four (24) months prior to the maturity date of the Sukuk Bullet Repayment (as defined in the section entitled "*Other terms and conditions*") and USD Term Loan Bullet Repayment (as defined in the section entitled "*Other terms and conditions*"); and

(2) in an amount equal to one hundred percent (100%) of the Required Amount, twelve (12) months prior to the maturity date of the Sukuk Bullet Repayment, RM Term Loan Bullet Repayment (as defined in the section entitled "*Other terms and conditions*") and USD Term Loan Bullet Repayment.

The Refinancing SBLC provided in favour of the Security Trustee shall be unsecured and without recourse to the Issuer; and

(vi) the Sukuk Trustee receives a certificate signed by at least one (1) director of the Issuer confirming (i), (ii), (iii), (iv) and (v) above;

(y) call or redeem the Perpetual Sukuk Wakalah; and

(z) such other covenants as may be advised by the legal counsel and mutually acceptable to the Issuer, the Security Parties and the JLAs with appropriate thresholds, exclusions and carve outs for each of such covenants to be negotiated and agreed in the Financing Documents.

Financial Covenants

The Issuer covenants that so long as any of the Sukuk Murabahah shall remain outstanding:

(a) the Issuer shall maintain the following:

(i) maximum Senior DE Ratio of 80:20;

(ii) minimum FSCR (with Cash) of 1.25x; and

(b) such other financial covenants as may be determined by the rating agency and mutually agreed with the Issuer (if any),

(collectively, "**Financial Covenants**").

The calculation of the ratios referred to in paragraph (a) of the Financial Covenants shall be calculated on a Reporting Date (as defined in the section entitled "*Other terms and conditions*"), whereby:

(1) in relation to a Reporting Date which falls on 30 June of the relevant year, such calculation shall be based on the latest unaudited half yearly consolidated financial statements of the Issuer; and

(2) in relation to a Reporting Date which falls on 31 December of the relevant year, such calculation shall be based on the latest audited financial statements of the Issuer.

Information Covenants

Principal Terms and Conditions

The Issuer covenants that so long as any of the Sukuk Murabahah shall remain outstanding:

(a) the Issuer shall deliver to the Sukuk Trustee the following:

(i) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years) copies of the Issuer's consolidated financial statements for that financial year which shall contain the comprehensive income statements, statements of financial position and balance sheets of the Issuer and which are audited and certified by the reputable auditors or the reputable firm of auditors for the time being appointed by the Issuer as the auditor of the Issuer ("**Auditors**");

(ii) as soon as they become available (and in any event within ninety (90) days after the end of the first half of its financial year) copies of the Issuer's unaudited half yearly consolidated financial statements for that period which shall contain the comprehensive income statements, statements of financial position and balance sheets of the Issuer certified by at least one (1) director of the Issuer;

(iii) simultaneously with (i) and (ii), the FSCR (with Cash) calculation for the balance sheet closing date of the relevant financial statements. The FSCR (with Cash) calculation shall be certified by at least one (1) director of the Issuer and shall be certified by the Auditors if it is calculated on the basis of audited financial statements;

(iv) simultaneously with (i) and (ii), the Senior DE Ratio calculation for the balance sheet closing date of the relevant financial statements. The Senior DE Ratio calculation shall be certified by at least one (1) director of the Issuer and shall be certified by the Auditors if it is calculated on the basis of audited financial statements;

(v) promptly, such additional financial or other information relating to the Issuer's business, the Project and its operations as the Sukuk Trustee (for and on behalf of the Sukukholders,) may from time to time reasonably request in order to discharge their duties and obligations under the Financing Documents and provided such disclosure is not prohibited by law;

(vi) promptly, all notices or other documents received by the Issuer from any of its shareholders or creditors the contents of which would have a Material Adverse Effect, and a copy of all documents dispatched by the Issuer to its shareholders (or any class of them) in their capacity as shareholders or its creditors generally at the same time as these documents are dispatched to these shareholders or creditors;

(b) the Issuer shall, within fourteen (14) days, notify the Sukuk Trustee of any change in the Issuer's board of directors;

(c) the Issuer shall promptly notify the Sukuk Trustee of any change in the condition (financial or otherwise) of the Issuer and/or TBEI or any circumstances that have occurred that would materially prejudice the Security Interest given under the Financing Documents and of any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer and/or TBEI before any court or tribunal or administrative agency which would have a Material Adverse Effect, save and except for the voluntary winding up of TBEI as contemplated hereunder upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof

Principal Terms and Conditions

satisfactory to the Sukuk Trustee shall be provided accordingly;

(d) upon the Issuer or any of its directors becoming aware of the same, the Issuer shall promptly give notice in writing to the Sukuk Trustee of the occurrence of any Event of Default or Potential Event of Default or that such other right or remedy under the terms, provisions and covenants of the Transaction Documents have become immediately enforceable and it shall take all reasonable steps and/or such other steps as may reasonably be requested by the Sukuk Trustee to remedy and/or mitigate the effect of the Event of Default;

(e) the Issuer shall deliver to the Sukuk Trustee, as soon as they become available (and in any event at least five (5) business days prior to its next financial year), the Issuer's proposed annual budgets for information (in form and substance to be agreed with the Sukuk Trustee);

(f) the Issuer shall provide to the Sukuk Trustee at least on an annual basis, a certificate signed by one (1) director of the Issuer confirming that:

(i) the Issuer has observed, performed and complied with all its covenants, representations, warranties and other relevant obligations under the Transaction Documents save, in relation to the Project Documents such confirmation shall relate to its obligations where the non-observance, non-performance or non-compliance therewith would have a Material Adverse Effect;

(ii) no Event of Default or Potential Event of Default has occurred since the date the Sukuk Murabahah were issued or the date of the previous certificate (as the case may be), and if an Event of Default or Potential Event of Default has occurred or did exist since the date stipulated above, the Issuer shall provide the details of such Event of Default or Potential Event of Default; and

(iii) the Issuer is compliant with all relevant material environmental laws, permits, guidelines and regulations;

(g) the Issuer shall, promptly upon becoming aware of any litigation involving itself which would have a Material Adverse Effect, inform the Sukuk Trustee of the same (including reasonable details thereof);

(h) the Issuer shall, promptly upon becoming aware of any environmental proceeding, claim, liability or regulatory action which would have a Material Adverse Effect, inform the Sukuk Trustee of the same (including reasonable details thereof);

(i) The Issuer shall, promptly upon becoming aware of any events resulting in the release of environmental contaminants, death or multiple injury, significant community or worker-related protest which would have a Material Adverse Effect, inform the Sukuk Trustee (including reasonable details thereof);

(j) the Issuer will:

(i) during normal business hours following the occurrence of an Event of Default; or

(ii) otherwise upon seven (7) days' prior written notice during normal business hours;

cause to be made available for inspection by the Sukuk Trustee and the Facility Agent:

(1) at the Issuer's offices, copies of all Project Documents and books, each notice to shareholders issued by the Issuer, the Issuer's annual balance sheet and profit

Principal Terms and Conditions

and loss statement; and

(2) access to the Project Site;

(k) the Issuer will promptly give to the Sukuk Trustee a certified copy of any notice or document relating, inter alia, to the Issuer's rights and obligations under the Project Documents and/or the Takaful/Insurances, received or given by the Issuer from or to any party (including any governmental authority and/ or the EPC Contractor (as defined in the section entitled "*Other terms and conditions*")) in respect of the Project Documents and/or the Takaful/Insurances where such notice or document concerns any matter which would have a Material Adverse Effect;

(l) the Issuer will immediately notify the Sukuk Trustee in writing, as soon as the Issuer becomes aware:

(i) of the occurrence of any event that has caused or would cause, one or more of the following:

(1) any amount secured or payable under the Sukuk Murabahah Programme or the Senior Loan Facilities to become immediately payable;

(2) the Sukuk Murabahah Programme or the Senior Loan Facilities or the Security Interests created for the Sukuk Murabahah Programme or the Senior Loan Facilities to become immediately enforceable; or

(3) any other right or remedy under the terms, provisions or covenants of the Sukuk Murabahah Programme or the Senior Loan Facilities to become immediately enforceable;

(ii) of any change in the withholding tax position or tax jurisdiction of the Issuer;

(iii) of any substantial change in the nature of the business of the Issuer;

(iv) of any change in the utilisation of proceeds of the Sukuk Murabahah Programme;

(v) of any other matter or information that may materially prejudice the interests of the Sukukholders under the Transaction Documents; and

(vi) of any circumstances that has occurred that would materially prejudice the Issuer or the Security Interests created under the Financing Documents.

(m) the Issuer shall on an annual basis submit to the Sukuk Trustee a copy of an annual audited environment report as submitted to the relevant governmental authorities;

(n) upon agreement with the operator of (i) any operation and maintenance cost budget and (ii) any reconciliation of such budget with actual operation (in each case) prepared by the operator under the O&M Agreement, the Issuer shall deliver such approved budget and reconciliation to the Sukuk Trustee, and the operation and maintenance costs shall not deviate more than ten per cent (10%) from such operation and maintenance cost disclosed in the IM and/or the relevant Transaction Documents; and

(o) any other information covenants as advised by the legal counsel and mutually acceptable to the Issuer and the JLAs.

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

(21) Details of : Name of account:
designated account, Revenue Account ("RA")
if applicable

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Issuer and Security Trustee

Signatories to account:

The Security Trustee and the Issuer shall be the joint signatories of the RA until the occurrence of an Event of Default, whereupon the Security Trustee will be the sole signatory of the RA. If such Event of Default has been waived by the Sukukholders or, if remediable, remedied in accordance with the terms of the Financing Documents, the signatories of the RA shall revert to those entitled to so operate before the occurrence of such Event of Default.

Sources of funds:

The initial sources of funds for the RA shall be deposited from the remaining balance of funds from all designated accounts and the Sukuk Trustees' Reimbursement Account opened and maintained in connection with the Existing TBEI Financings, save for the Company Operating Account (COA), the Project Company Operating Account (POA), the Project Company O&M Costs Account (PO&MA), the Project Company Maintenance Reserve Account (PMRA), the Project Company Insurance Proceeds Account (PIPA) and the Company Insurance Proceeds Account (CIPA).

Such balances shall be transferred from the designated accounts and the Sukuk Trustees' Reimbursement Account in connection with the Existing TBEI Financings mentioned above to the RA forthwith upon the TBEI Sukuk Murabahah having been redeemed.

Thereafter, the RA shall be for the purpose of depositing all revenue, income, and other amounts received by the Issuer.

Utilisation of funds:

Monies standing to the credit of the RA shall be applied on the first business day of each month in accordance with the priority of cashflow ("**Priority of Cashflow**") below:

(i) for transfers to the Operating Account ("**OA**") for the next one (1) month payment of operating and maintenance (excluding the Subordinated O&M Margin (as defined in the section entitled "*Other terms and conditions*")), fuel costs, cess fund, start-up, taxes, duties, capital expenditures incurred by the Issuer or the operator on behalf of the Issuer in respect of the Project and administrative expenses of TBEI, subject to the Security Trustee's receipt of the Issuer's approved budget for the relevant period and satisfactory documentary evidence for the aforesaid payments;

(ii) for periodic transfers to the Sukuk Payment Account ("**SPA**"), the RM Senior Loan Facilities Repayment Account and the USD Senior Loan Facilities Repayment Account respectively for the accumulation to meet the next profit payments and principal payments under the Sukuk Murabahah Programme and the Senior Loan Facilities, as the case may be;

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

(iii) for transfers to the Maintenance Reserve Account ("MRA") for compliance with the MRA requirements;

(iv) for transfers to the Finance Service Reserve Account ("FSRA") for compliance with the FSRA requirements;

(v) for payment of the Subordinated O&M Margin; and

(vi) for making a Restricted Payment.

(22) Details of designated account, if applicable :

Name of account:
Operating Account ("OA")

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Issuer

Signatories to account:

The Issuer shall be the sole signatory of the OA until the occurrence of an Event of Default, whereupon the Security Trustee will be the sole signatory of the OA. If such Event of Default has been waived by the Sukukholders or, if remediable, remedied in accordance with the terms of the Financing Documents, the signatories of the OA shall revert to those entitled to so operate before the occurrence of such Event of Default.

Sources of funds:

The initial sources of funds for the OA shall be all balances under the following designated accounts in connection with the Existing TBEI Financings:

(i) Company Operating Account (COA); and

(ii) Project Company Operating Account (POA).

Such balances shall be transferred from the designated accounts in connection with the Existing TBEI Financings mentioned above to the OA forthwith upon the TBEI Sukuk Murabahah having been redeemed.

Thereafter, the OA shall be for the purposes of depositing therein amounts transferred from the RA for payment of the next one (1) month payment of operating and maintenance costs (but excluding the Subordinated O&M Margin), administrative expenses of TBEI, cess fund, start-up, taxes, duties and capital expenditures incurred by the Issuer in respect of the Project when due.

Utilisation of funds:

Monies standing to the credit of the OA shall be applied or utilised for the following purposes:

(i) payment of the next one (1) month payment for operating and maintenance costs (including Sukuk Maintenance Fees (as defined in the section entitled "*Other terms and conditions*") but excluding the Subordinated O&M Margin), administrative expenses of TBEI, cess fund, start-up, taxes, duties and capital expenditures incurred by the Issuer or the operator on behalf of the Issuer in respect of the Project when due not otherwise payable under paragraph below;

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

and

(ii) transfer to the O&M Costs Account ("**OMCA**") for the next one (1) month of operation and maintenance costs incurred by the operator on behalf of the Issuer, in accordance with the provisions of the O&M Agreement.

(23) Details of designated account, if applicable :

Name of account:
O&M Costs Account ("**OMCA**")

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Issuer

Signatories to account:

The Issuer shall be the sole signatory of the OMCA until the occurrence of an Event of Default, whereupon the Security Trustee will be the sole signatory of the OMCA. If such Event of Default has been waived by the Sukukholders or, if remediable, remedied in accordance with the terms of the Financing Documents, the signatories of the OMCA shall revert to those entitled to so operate before the occurrence of such Event of Default.

Sources of funds:

The initial sources of funds for the OMCA shall be all balances under the Project Company O&M Costs Account (PO&MA) in connection with the Existing TBEI Financings. Such balances shall be transferred from the Project Company O&M Costs Account (PO&MA) to the OMCA forthwith upon the TBEI Sukuk Murabahah having been redeemed.

Thereafter, the OMCA shall be for the purposes of depositing therein amounts transferred from the OA for payment of operation and maintenance costs incurred by Malakoff Power Berhad on behalf of the Issuer when due and in accordance with the provisions of the O&M Agreement.

Utilisation of funds:

Monies standing to the credit of the OMCA shall be applied or utilised for purposes of payment of operation and maintenance costs incurred by Malakoff Power Berhad (Registration No. 201001025089 (909003-H)) on behalf of the Issuer when due and in accordance with the provisions of the O&M Agreement.

(24) Details of designated account, if applicable :

Name of account:
Sukuk Payment Account ("**SPA**")

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Security Trustee

Signatories to account:

The Security Trustee shall be the sole signatory of the SPA.

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

Sources of funds:

The SPA shall be for the purposes of depositing therein amounts transferred from the RA for payment of all amounts due (including profit payments and principal obligations) under the Sukuk Murabahah Programme ("Amounts Due"), which shall be built up progressively, commencing six (6) months prior to the date on which such amounts fall due ("Due Date") in the following manner:

Period before the Due Date (Month(s))	Amounts (% of the Amounts Due under the Sukuk Murabahah Programme)
6	16.67%
5	16.67%
4	16.67%
3	16.67%
2	16.66%
1	16.66%
Total	100%

Utilisation of funds:

Monies standing to the credit of the SPA shall be applied or utilised for purposes of payment of all amounts due (including profit payments and principal obligations) under the Sukuk Murabahah Programme, on the date that such amounts fall due.

(25) Details of designated account, if applicable :

Name of account:
RM Senior Loan Facilities Repayment Account ("RM SLFRA")

Parties responsible for opening the account:
TBEI

Parties responsible for maintaining/operating account:
Security Trustee

Signatories to account:
The Security Trustee shall be the sole signatory of the RM SLFRA.

Sources of funds:

The RM SLFRA shall be for the purposes of depositing therein amounts transferred from the RA for payment of all amounts due (including profit payments and principal obligations) under the RM Term Loan Facility ("Amounts Due"), which shall be built up progressively, commencing three (3) months prior to the date on which such amounts fall due ("Due Date") in the following manner:

Period before the Due Date (Month(s))	Amounts (% of the Amounts Due under the RM Term Loan Facility)
3	33.34%
2	33.33%
1	33.33%
Total	100%

Utilisation of funds:

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

Monies standing to the credit of the RM SLFRA shall be applied or utilised for purposes of payment of all amounts due (including profit payments and principal obligations) under the RM Term Loan Facility, on the date that such amounts fall due.

The RM SLFRA shall be closed upon the full repayment/settlement of the Senior Loan Facilities.

(26) Details of designated account, if applicable : Name of account:
USD Senior Loan Facilities Repayment Account ("USD SLFRA")

Parties responsible for opening the account:
TBEI

Parties responsible for maintaining/operating account:
Security Trustee

Signatories to account:
The Security Trustee shall be the sole signatory of the USD SLFRA.

Sources of funds:
The USD SLFRA shall be for the purposes of depositing therein amounts transferred from the RA for payment of all amounts due (including profit payments and principal obligations) under the USD Term Loan Facility ("Amounts Due"), which shall be built up progressively, commencing three (3) months prior to the date on which such amounts fall due ("Due Date") in the following manner:

Period before the Due Date (Month(s))	Amounts (% of the Amounts Due under the USD Term Loan Facility)
3	33.34%
2	33.33%
1	33.33%
Total	100%

Utilisation of funds:

Monies standing to the credit of the USD SLFRA shall be applied or utilised for purposes of payment of all amounts due (including profit payments and principal obligations) under the USD Term Loan Facility, on the date that such amounts fall due.

The USD SLFRA shall be closed upon the full repayment/settlement of the Senior Loan Facilities.

The RM SLFRA and the USD SLFRA shall be collectively referred to as the Senior Loan Facility Reserve Account ("SLFRA")

(27) Details of designated account, if applicable : Name of account:
Finance Service Reserve Account ("FSRA")

Parties responsible for opening the account:
Issuer

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

Parties responsible for maintaining/operating account:

Security Trustee

Signatories to account:

The Security Trustee shall be the sole signatory of the FSRA or the beneficiary of the FSRA SBLC (as defined herein), as the case may be.

Sources of funds:

The Issuer shall maintain a Shariah compliant FSRA with a licensed Islamic financial institution acceptable to the Security Trustee. Alternatively, the Issuer shall, at its option, procure a Qualified SBLC ("**SBLC Option**") and such Qualified SBLC is referred to as the "**FSRA SBLC**".

The FSRA shall be for the purposes of depositing therein the following:

(i) an amount equal to the projected Senior Finance Service (as defined in the section entitled "*Other terms and conditions*") for the next six (6) months (the "**Minimum Required Balance**") for so long as any amounts under the Sukuk Murabahah Programme and/or Senior Loan Facilities remain outstanding. In the event that the SBLC Option is elected, the amount of the FSRA SBLC undertaking (together with the amounts standing to the credit of the FSRA) shall at all times be no less than the Minimum Required Balance; and

(ii) transfer from the RA for amounts required to maintain the Minimum Required Balance.

Utilisation of funds:

If at any time there is insufficient amounts in the SPA and/or the SLFRA to pay any amounts due under the Sukuk Murabahah Programme and/or Senior Loan Facilities (other than the Sukuk Maintenance Fees), an amount equal to the shortfall shall be transferred from the FSRA to the SPA and/or the SLFRA. In the case of the SBLC Option, the Security Trustee shall be entitled to draw such shortfall amount under the FSRA SBLC. Amount called under the FSRA SBLC shall be deposited into the SPA and/or the SLFRA.

For the avoidance of doubt:

(i) if at any time the balance in the FSRA is less than the Minimum Required Balance, the FSRA shall be replenished to the Minimum Required Balance within ten (10) days from the date of such shortfall;

(ii) if any time the balance in the FSRA exceeds the Minimum Required Balance, to transfer all or any of such excess amount to the RA to be utilised in accordance with the Priority of Cashflow for the RA; and

(iii) the balance of the FSRA will be available to repay the Sukuk Murabahah on the final repayment date.

In the event that the SBLC Option is elected, the FSRA SBLC shall remain in place as long as any obligations under the Sukuk Murabahah and/or the Senior Loan Facilities remain outstanding. In the event that the amounts standing to the credit of the FSRA and/or the amount of such FSRA SBLC is less than Minimum Required Balance, the Issuer shall transfer such amounts from the RA to the FSRA in accordance with the Priority of Cashflow to maintain the Minimum Required Balance or procure the issuance/renewal of the FSRA SBLC within ten (10) days from such failure to meet the Minimum Required Balance. The Security Trustee

Principal Terms and Conditions

shall have the right to draw on the FSRA SBLC if (i) it is not renewed by the Issuer within fourteen (14) days (or such other period to be agreed with the Security Trustee) prior to the expiry of the FSRA SBLC, or (ii) it is no longer a Qualified SBLC, and the Issuer does not replace the FSRA SBLC with another Qualified SBLC. Alternatively, the Issuer may deposit a cash amount equivalent to the FSRA SBLC into the FSRA within fourteen (14) days (or such other period to be agreed with the Security Trustee) from the date of a failure to meet the Qualified SBLC requirement.

(28) Details of designated account, if applicable :

Name of account:
Maintenance Reserve Account ("MRA")

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Issuer

Signatories to account:

The Issuer shall be the sole signatory of the MRA until the occurrence of an Event of Default, whereupon the Security Trustee will be the sole signatory of the MRA. If such Event of Default has been waived by the Sukukholders or, if remediable, remedied in accordance with the terms of the Financing Documents, the signatories of the MRA shall revert to those entitled to so operate before the occurrence of such Event of Default.

Sources of funds:

The initial sources of funds for the MRA shall be all balances under the Project Company Maintenance Reserve Account (PMRA) in connection with Existing TBEI Financings. Such balances shall be transferred from the Project Company Maintenance Reserve Account (PMRA) to the MRA forthwith upon the TBEI Sukuk Murabahah having been redeemed.

Thereafter, the MRA shall be for the purposes of fulfilling the Issuer's obligations under the PPA by depositing and maintaining therein a sum of Ringgit Malaysia Twenty Four Million (RM24,000,000.00) ("**MRA Required Balance**") so long as any amounts under the Sukuk Murabahah and/or the Senior Loan Facilities remain outstanding. Alternatively, the Issuer may elect the SBLC Option to meet the MRA Required Balance ("**MRA SBLC**"). In the event that the SBLC Option is elected, the amount of the MRA SBLC undertaking (together with the amounts standing to the credit of the MRA) shall at all times be no less than the MRA Required Balance for the purposes of fulfilling the Issuer's obligations under the PPA.

For the avoidance of doubt, the MRA SBLC shall only be exercisable subject to the Issuer obtaining the prior written consent of TNB.

Utilisation of funds:

Monies standing to the credit of the MRA may be utilised or withdrawn for purposes of payment of maintenance expenses of the Project, including any repair or replacement, pursuant to the PPA, however the balance must be reinstated/replenished to the MRA Required Balance over the three (3) months following the withdrawal (or such other date as may be agreed between TNB and the Issuer) in accordance with the Priority of Cashflow for the RA.

Principal Terms and Conditions

In the event that the SBLC Option is elected, the MRA SBLC shall remain in place as long as any obligations under the Sukuk Murabahah and/or the Senior Loan Facilities remain outstanding. The MRA SBLC shall be drawn to pay any shortfall in the balance in the MRA for payment of maintenance expenses of the Project, including any repair or replacement, pursuant to the PPA. In the event that the amounts standing to the credit of the MRA and/or the amount of such MRA SBLC is less than MRA Required Balance, the Issuer shall transfer such amounts from the RA to the MRA in accordance with the Priority of Cashflow to maintain the MRA Required Balance or procure the issuance/renewal of the MRA SBLC within three (3) months from such failure to meet the MRA Required Balance. The Security Trustee shall have the right to draw on the MRA SBLC if (i) it is not renewed by the Issuer within fourteen (14) days (or such other period to be agreed with the Security Trustee) prior to the expiry of the MRA SBLC, or (ii) it is no longer a Qualified SBLC, and the Issuer does not replace the MRA SBLC with another Qualified SBLC. Alternatively, the Issuer may deposit a cash amount equivalent to the MRA SBLC into the MRA within three (3) months from the date of a failure to meet the Qualified SBLC requirement.

(29) Details of designated account, if applicable : Name of account:
Takaful/Insurance Proceeds Account ("TIPA")

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Security Trustee

Signatories to account:
The Security Trustee shall be the sole signatory of the TIPA.

Sources of funds:
The initial sources of funds for the TIPA shall be all balances under the PIPA and CIPA in connection with Existing TBEI Financings. Such balances shall be transferred from the PIPA and CIPA to the TIPA forthwith upon the TBEI Sukuk Murabahah having been redeemed.

Thereafter, the TIPA shall capture all relevant insurance/compensation proceeds received by the Issuer.

Utilisation of funds:
Monies standing to the credit of the TIPA may be utilised or withdrawn:

(i) towards the mandatory prepayment of the Sukuk Murabahah Programme and the Senior Loan Facilities, where applicable;

(ii) subject to paragraph (iii) below, towards the repair, reinstatement or replacement of the loss or damage for which such insurance proceeds were paid; and

(iii) to the extent any insurance proceeds received for the repair, reinstatement, or replacement of any assets or properties exceed the amount actually required for such repair, reinstatement or replacement, for transfer of such excess to the RA following such repair, reinstatement or replacement. Diagram illustrating the flow of

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

monies and conditions for disbursements of each of the above Designated Accounts is as attached.

Additional Notes:

The Issuer and TBEI shall open and maintain the following Shariah-compliant designated accounts (collectively, "**Designated Accounts**") with an Islamic financial institution(s) with a minimum long-term rating of AA3 by RAM or their local equivalents, which is acceptable to the JLAs.

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

No.	Credit rating agency	Credit rating	Final/indicative rating	Name of Class/ Series/ Tranche	Amount rated
1	RAM Rating Services Bhd (RAM)	AA3	Indicative rating		MYR 4,500,000,000.00

(31) Conditions precedent

: Upon completion of documentation and, unless waived by the JLAs, compliance of all conditions precedent, including but not limited to the conditions precedent set out below, and other applicable conditions (to be agreed with the Issuer) to the satisfaction of the JLAs:

A. Main Documentation

(a) The Financing Documents (save and except for the CS Security Documents (as defined in the section entitled "*Other terms and conditions*") have been executed and, where applicable, stamped or endorsed as exempted from stamp duty under the Stamp Duty Exemption (No. 23) Order 2000 (as amended by Stamp Duty (Exemption) (No.3) (Amendment) Order 2005) and presented for registration with the relevant registries.

(b) Receipt from the Issuer, as the case may be, certified true copies of all the executed and stamped Project Documents and any other supplemental documentation in relation thereto.

B. Issuer

Receipt from the Issuer of:

(a) certified true copies of its Certificate of Incorporation, and the Memorandum and Articles of Association and Constitution (where applicable);

(b) certified true copies of its latest Return of Allotment of Shares (Forms 24), Notice of Situation of Registered Office and of Office Hours and Particulars of Changes (Form 44) / Notification for Change in the Registered Address and Return Giving Particulars in Register of Directors, Managers and Secretaries and Changes of Particulars (Form 49) and Notification(s) of Change in the Register of Directors, Managers and Secretaries;

(c) certified true copies of the board resolutions of the Issuer authorising, among others, the execution of the relevant Financing Documents to which it is a party;

Principal Terms and Conditions

- (d) a list of the Issuer's authorised signatories and their respective specimen signatures;
- (e) a report of the relevant company search of the Issuer;
- (f) a report of the relevant winding up search of the Issuer;
- (g) the irrevocable and unconditional undertaking from the Issuer addressed to the Security Trustee to:
 - (i) channel or cause and procure to be channelled or authorised to channel the cash balance in the relevant designated account(s) opened and maintained by the Issuer in respect of the Existing TBEI Financings to the relevant Designated Accounts within three (3) business days from the date of full redemption of the TBEI Sukuk Murabahah;
 - (ii) close the relevant designated account(s) opened and maintained by the Issuer in respect of the Existing TBEI Financings within seven (7) business days after the existing deed of assignment over the aforesaid designated account(s) created by the Issuer as security for the Existing TBEI Financings is discharged; and
 - (iii) cause and procure TBEI to close the RM SLFRA and the USD SLFRA within three (3) business days from the date of full repayment/settlement of the Senior Loan Facilities;
- (h) the irrevocable and unconditional undertaking from the Issuer addressed to the Security Trustee that upon the release/discharge of the existing deed(s) of assignment over the Takaful/Insurances created by TBEI as security for the Existing TBEI Financings, it will remove or procure the removal of TBEI from the list of insured and/or loss payee(s) of the Takaful/Insurances.

C. TBEI

Receipt from TBEI of:

- (a) the documents corresponding to those under paragraphs (a) to (f), section B (Issuer) of item 31 (Conditions Precedent) above in respect of TBEI; and
- (b) the irrevocable and unconditional undertaking from TBEI addressed to the Security Trustee to:
 - (i) channel or cause and procure to be channelled or authorised to channel the cash balance in the relevant designated account(s) opened and maintained by TBEI in respect of the Existing TBEI Financings to the relevant Designated Accounts within three (3) business days from the date of full redemption of the TBEI Sukuk Murabahah;
 - (ii) close the relevant designated account(s) opened and maintained by TBEI in respect of the Existing TBEI Financings within seven (7) business days after the existing deed of assignment over the aforesaid designated account(s) created by TBEI as security for the Existing TBEI Financings is discharged; and
 - (iii) close the RM SLFRA and the USD SLFRA within three (3) business days from the date of full repayment/settlement of the Senior Loan Facilities.

together with a written confirmation from the Issuer confirming the above arrangement; and

- (c) the irrevocable and unconditional undertaking from TBEI addressed to the

Principal Terms and Conditions

Security Trustee that upon the release/discharge of the existing deed of assignment over the Takaful/Insurances created by TBEI as security for the Existing TBEI Financings, it shall agree for and cause, TBEI, to be removed from the list of insured and/or loss payee under the Takaful/Insurances.

D. MCB

Receipt from MCB of the documents corresponding to those under paragraphs (a) to (f), section B (Issuer) of item 31 (Conditions Precedent) above in respect of MCB.

E. General

(a) Acknowledgement from the SC on the lodgement of the Sukuk Murabahah Programme, and where applicable, the relevant consent and approval of any other regulatory authorities in respect of the Sukuk Murabahah Programme have been obtained;

(b) The Sukuk Murabahah has received the requisite rating as stated in this Principal Terms and Conditions;

(c) The relevant Financing Documents (save and except for the CS Security Documents) shall have been presented to the High Court of Malaya for the registration of the power of attorney therein contained;

(d) Evidence that the Statements of Particulars to be Lodged with Charge (as prescribed under the Companies Act), where applicable, in respect of the charges created pursuant to the relevant Financing Documents (save and except for the CS Security Documents) (for the purpose of registration of such charges with the Companies Commission of Malaysia in accordance with Section 352 of the Companies Act) have been duly lodged with the Companies Commission of Malaysia and that immediately prior to the lodgement of such Statements of Particulars to be Lodged with Charge, a search conducted on such company in respect of which each of the Statements of Particulars to be Lodged with Charge is filed, revealed that there are no other charges that have been registered by it with the Companies Commission of Malaysia save for the charges created by such company as security for the Existing TBEI Financings;

(e) Evidence that all the Designated Accounts have been opened in accordance with the provisions of the Financing Documents;

(f) Delivery of an operating budget of the Issuer for the duration of the tenure of the Sukuk Murabahah to the Security Trustee;

(g) Receipt of satisfactory legal opinions from (i) the legal counsel addressed to the JLAs and the Sukuk Trustee advising the legality, validity and enforceability of the Financing Documents (save and except for the CS Security Documents) and confirming that all the conditions precedent have been fulfilled or waived, as the case may be; and (ii) the Issuer's counsel addressed to the JLAs advising the legality, validity and enforceability of the Project Documents (save for the Generation Licence, the Takaful/Insurances and the Warranty Bonds) and confirming that all the conditions precedents thereof have been fulfilled and (iii) any other legal opinions deemed necessary by legal counsel and notified to and accepted by, the Issuer prior to the execution of the Financing Documents;

(h) Delivery of a financial model (which has been reviewed by the Reporting Accountant), showing a projected base case minimum FSCR (with Cash) of at

Principal Terms and Conditions

least 1.25x ("**Base Case FSCR**") and satisfactory to the JLAs ("**Base Case Financial Model**");

(i) Evidence satisfactory to the JLAs of confirmation from the Joint Shariah Advisers that the structure and mechanism of the Sukuk Murabahah and the associated document are in compliance with Shariah principles;

(j) Receipt by the JLAs a certified true copy of the resolution of the sukukholders in respect of the TBEI Sukuk Murabahah approving the Sukuk Murabahah Programme and the issuance of Sukuk Murabahah to the holders of the TBEI Outstanding IMTNs of up to Ringgit Malaysia Three Billion and Five Million (RM3,005,000,000.00) in consideration of which the holders of the TBEI Outstanding IMTNs shall surrender their TBEI Outstanding IMTNs to TBEI for cancellation;

(k) Evidence that the Sukuk Trustees' Reimbursement Account has been established and the deposit of RM100,000.00 has been made;

(l) Receipt by the JLAs from the relevant facility agent(s), security agent(s) or intercreditor agent(s) in respect of the Senior Loan Facilities of the consent/approval in respect of the Sukuk Murabahah Programme and the sharing of security with the Senior Loan Facilities (in the form acceptable to the JLAs);

(m) Receipt by the JLAs a certified true copy each of the approval/consent from the relevant counterparties to the relevant Project Documents, where required;

(n) Evidence satisfactory to the JLAs that Ringgit Malaysia Three Billion and Five Million (RM3,005,000,000.00) owing from the Issuer to TBEI under the Turnkey Contract (as defined in the section entitled "*Other terms and conditions*") shall be satisfied, extinguished and/or cancelled upon the first issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme;

(o) Evidence satisfactory to the JLAs that the documentation in respect of the release and re-assignment of the existing assignments and the discharge of the existing first charges/debentures in respect of the Existing TBEI Financings have been executed by the relevant parties and deposited with the Solicitors to be held in escrow;

(p) Evidence satisfactory to the JLAs that all transaction fees, costs and expenses have been or will be paid in full; and

(q) Such other conditions precedent as advised by the legal counsel and mutually acceptable to Issuer and the JLAs.

In relation to each subsequent issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme, unless waived by the Sukuk Trustee, upon compliance of all conditions precedent including but not limited to the conditions precedent set out below, to the satisfaction of the Sukuk Trustee:

(1) no Event of Default or Potential Event of Default has occurred or will occur under the Sukuk Murabahah Programme;

(2) no potential breach of the Financial Covenants;

(3) receipt by the Sukuk Trustee of a confirmation from the rating agency that there shall be no adverse impact on the rating of the Sukuk Murabahah Programme arising from such subsequent issuance;

(4) in respect of any subsequent issuance which proceeds will be used for

Principal Terms and Conditions

purposes of repayment of amounts owing from the Issuer to TBEI pursuant to the Turnkey Contract which will in turn be used by TBEI to repay and settle the Senior Loan Facilities including the associated costs, receipt by the Sukuk Trustee of a confirmation from the Issuer certified by at least one (1) director of the Issuer that:

(i) such subsequent issuance fulfils the requirements under the New Sukuk Repayment Profile (as defined below); and

(ii) the repayment of the amounts owing from the Issuer to TBEI shall not exceed the outstanding principal amount of the Senior Loan Facilities and the associated costs in relation to the Senior Loan Facilities;

(5) in the event the proceeds from such subsequent issuance will be used for purposes other than to repay amounts owing from the Issuer to TBEI pursuant to the Turnkey Contract which will in turn be used by TBEI to repay and settle the Senior Loan Facilities including the associated costs, evidence satisfactory to the Sukuk Trustee that the Sukukholders and/or the lenders of the RM Term Loan Facility and the USD Term Loan Facility have consented to such subsequent issuance.

(32) Representations and warranties

The Issuer makes the following representations and warranties:

(a) the Issuer and each Security Party is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its property and assets, and has full beneficial ownership of all its property and assets;

(b) the memorandum and articles of association and/or constitutional documents of the Issuer and each Security Party incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorise the Issuer and each Security Party to:

(i) own its assets;

(ii) carry on its business as it is being conducted which, if not obtained, would have a Material Adverse Effect (as defined herein); and

(iii) execute and deliver and perform the transactions contemplated in the Transaction Documents to which it is a party in accordance with their terms.

(c) neither the execution and delivery of any of the Transaction Documents to which the Issuer and each Security Party is a party nor the performance of any of the transactions contemplated by the Transaction Documents to which the Issuer and each Security Party is a party did or does as at the date this representation and warranty is made or repeated:

(i) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, licence, permit or consent by which the Issuer and each Security Party or any of their assets is bound or which is applicable to the Issuer and each Security Party or any of their assets and which in the case of the Project Documents, will have a Material Adverse Effect; or

(ii) cause any limitation on the Issuer and each Security Party or the powers of their

Principal Terms and Conditions

directors, whether imposed by or contained in its memorandum and articles of association or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise, to be exceeded.

(d) No step has been taken by either of the Issuer or any Security Party or, to the best of the Issuer's and each Security Party's knowledge, any of their shareholders nor has any legal proceeding including a winding up proceeding been commenced, instituted or threatened for the dissolution or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer of the Issuer or any Security Party, or any of their assets which in the case of any proceeding undertaken by a person other than the Issuer and/or any of the Security Parties or any of their shareholders, has not been discharged, suspended or set aside within thirty (30) days from the date of service of the notice for such proceeding other than the voluntary winding-up of TBEI as contemplated hereunder upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly;

(e) 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 or any of its assets is bound or affected, being a contravention or default which would have a Material Adverse Effect;

(f) no litigation, arbitration or administrative proceeding or claim or lawsuits by a governmental agency or body or other regulatory authority which would by itself or together with any other such proceeding or claim have a Material Adverse Effect is presently in progress or pending or, to the best of the knowledge, information and belief of the Issuer and each Security Party, threatened or instituted against the Issuer or any of the Security Parties, or any of their assets and which has not been suspended, set aside, settled or had any defence entered in respect thereof by the Issuer or any of the Security Parties, within thirty (30) days of the service or notification thereof on the Issuer or the relevant Security Parties;

(g) all necessary returns have been delivered by or on behalf of the Issuer and TBEI, as the case may be, to the relevant taxation authorities and none of the Issuer and TBEI is in default in the payment of any tax save and except for taxes that are being contested in good faith and by appropriate means and it is not required under the applicable law to pay the taxes pending determination of the matter and an adequate reserve has been set aside with respect to taxes which are not disclosed in the latest audited financial statements of the Issuer or TBEI, as the case may be;

(h) the audited financial statements of the Issuer and TBEI have been prepared on a basis consistently applied and in accordance with approved accounting standards in Malaysia and give a true and fair view of the results of their respective operations for each respective year and the state of affairs at that date, and in particular disclose all of their respective material liabilities (actual or contingent);

(i) the IM, any projection and any information in whatever form, document, statement or instrument furnished or to be furnished by the Issuer in connection with the Transaction Documents are true in all material respects and do not contain any statement or information that is false or misleading in any material respect and there is no material omission in respect thereof, and all expressions of

Principal Terms and Conditions

expectations, intentions, belief and opinion contained therein were honestly made on reasonable grounds after due and careful query by the Issuer;

(j) the Issuer and each Security Party (where applicable) is the legal and beneficial owner of all its assets and none of such assets is affected by any mortgage, charge, pledge, lien, caveat, title retention, right of set off or any security whatsoever, howsoever created or arising ("**Security Interest**") other than the Permitted Security Interests (as defined herein), and the Issuer or each Security Party is not a party to, nor is it or any of its assets bound by any order, agreement or instrument under which the Issuer or each Security Party is, or in certain events may be required to create, assume or permit to arise any Security Interest other than the Permitted Security Interests;

(k) the Issuer is in compliance and will comply with all applicable laws, guidelines, permits and regulations, including but not limited to the EMP and all relevant environmental laws, permits and guidelines where non-compliance would have a Material Adverse Effect;

(l) there is no environmental or social claim outstanding, pending or likely to occur in respect of, or in connection with the Project, which would have a Material Adverse Effect on the implementation or operation of the Project in accordance with all applicable laws, guidelines, permits and regulations, including the International Finance Corporation guidelines;

(m) no registration, recording, filing or notarisation of the Transaction Documents and no payment of any duty or tax and no other action whatsoever is necessary to ensure the legality, validity or enforceability in Malaysia of the liabilities and obligations of the Issuer and each Security Party, or the rights of the Sukuk Trustee, the JLAs, CIMB Investment Bank Berhad and RHB Investment Bank Berhad (collectively, "**Joint Lead Managers**" or "**JLMs**") and the Sukukholders under the Financing Documents in accordance with their terms, save and except for the registration of the Security Interests created or to be created under the Financing Documents with the Companies Commission of Malaysia, where applicable, the registration of the power of attorney contained in any of the Financing Documents with the High Court of Malaya, the registration of the charge over the lease/ sub-lease with the relevant land office (when created) and the payment of stamp duty on the relevant Transaction Documents;

(n) the Issuer has fully disclosed in writing to the Sukuk Trustee all facts relating to the Issuer and each Security Party which the Issuer knows or should reasonably know and which are material for disclosure to the Sukuk Trustee, the JLAs and the JLMs in the context of the Transaction Documents;

(o) the Issuer is the legal and beneficial owner of all its rights under the lease/sub-lease agreement(s) which have been entered by it (and has not in any way disposed of, assigned, charged or divested itself of the same other than as required under the Project Documents or as permitted under the Financing Documents);

(p) no Event of Default or event or circumstance which, with the passing of time, the giving of notice, the making of a determination or any combination thereof constituting an Event of Default has occurred and is continuing;

(q) each of the Transaction Documents to which it is a party constitute legal, valid, binding and enforceable obligations of the Issuer and each Security Party, as the case may be;

Principal Terms and Conditions

(r) to the best of the knowledge of the Issuer and TBEI, no person has disputed, repudiated or disclaimed liability under any of the Project Documents or evidenced an intention to do so where, in each case, such action would have a Material Adverse Effect;

(s) there has been no material adverse change in the financial condition of the Issuer or each Security Party since the date of their respective last audited financial statements;

(t) the Sukuk Murabahah constitute direct, unconditional and secured obligations of the Issuer and at all times rank:

(i) *pari passu*, without discrimination, preference, priority amongst themselves;

(ii) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer,

subject to those preferred by law;

(u) each copy of the Project Documents delivered to the Facility Agent is true and complete;

(v) save for the Project Documents delivered to the Facility Agent there is no other agreement in connection with the Project, or arrangements which amend, supplement or change the effect of any Project Document;

(w) there is no material dispute in connection with any Project Document;

(x) (i) the execution by the Issuer and each Security Party of the Transaction Documents to which it is a party constitutes, and the exercise by the Issuer and each Security Party of their respective rights and performance of their respective obligations under each Transaction Document to which they are a party will constitute, private and commercial acts performed for private and commercial purposes; (ii) the Issuer and each Security Party will not be entitled to claim immunity from suit, execution attachment or other legal process in any proceedings taken in Malaysia in relation to any Transaction Document to which it is a party; and (iii) the agreement by the Issuer and each Security Party not to claim any immunity to which they or their respective assets may be entitled is legal valid and binding under the laws of Malaysia;

(y) no step has been taken by the Issuer or any Security Party, or any of their respective shareholders or any other person on their behalf, or to the best of the knowledge of the Issuer or any Security Party, by their respective creditors, to commence or threaten to commence any legal proceedings or applications under Section 366 of the Companies Act against the Issuer or any Security Party;

(z) all Takaful/Insurances required under the Project Documents have been effected and are valid and binding and all Takaful contributions/premiums due have been paid and, so far as the Issuer is aware, nothing has been done or omitted to be done which has made or could make any such policy void or voidable; and

(aa) any other representations and warranties as advised by the legal counsel and mutually acceptable to the Issuer, the Security Parties and the JLAs.

The representations and warranties shall be made on the date of the Financing Documents and repeated on each drawdown date, each profit payment date and on each of the drawdown of the Sukuk Murabahah.

Tanjung Bin Energy Sdn Bhd ("Issuer" or TBE)

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

Principal Terms and Conditions

- (33) Events of defaults or : enforcement events, where applicable, including recourse available to investors
- To include, *inter alia*, the following:
- (a) the Issuer or the Security Party fails to observe or perform its obligations (other than the payment obligations specified in paragraph (q) below) under any of the Financing Documents (including, without limitation, any Financial Covenants (as defined herein)) or any documents in relation to the Senior Loan Facilities, to which it is a party or under any undertaking or arrangement entered into in connection therewith and, in the case of a failure which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer or the Security Party, as the case may be, does not remedy the failure within a period of thirty (30) days after the Issuer or the Security Party, as the case may be, became aware or having been notified by the Sukuk Trustee of the failure;
 - (b) the Issuer or TBEI fails to observe or perform any of its obligations under any of the Project Documents to which it is a party or under any undertaking or arrangement entered into in writing in connection therewith between the Issuer and/or TBEI and the relevant project counterparty and such failure would have a Material Adverse Effect, and in the case of a failure which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer or TBEI, as the case may be, does not remedy the failure within the period to be agreed between the Issuer and the Sukuk Trustee;
 - (c) an encumbrancer takes possession of, or a trustee, receiver, receiver and manager or similar officer is appointed in respect of the whole or substantial part of the business or assets of the Issuer or any Security Party, or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against the Issuer or Security Party, or any Security Interest which may for the time being affect any substantial part of their respective assets becomes enforceable, and is not discharged, suspended or set aside by the Issuer or such Security Party, as the case may be, within thirty (30) days from the date of such taking of possession or appointment or of service of notice of execution or enforcement;
- For the purpose of this paragraph, references to "substantial" shall mean such value equivalent to or more than Ringgit Malaysia Fifty Million (RM50,000,000.00).
- (d) the Issuer or TBEI fails to satisfy any judgment passed against it by any court of competent jurisdiction and no appeal against such judgment or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed;
 - (e) save and except for the voluntary winding up of TBEI as contemplated hereunder upon the full repayment/settlement of the Senior Loan Facilities and the discharge/fulfillment of TBEI's rights and obligations under the relevant Project Documents to which it is a party, and documentary evidence in respect thereof satisfactory to the Sukuk Trustee shall be provided accordingly (i) any step is taken for the winding up, dissolution or liquidation of the Issuer or any Security Party or (ii) a resolution is passed for the winding up of the Issuer or any Security Party or (iii) a petition for winding up is presented against the Issuer or any Security Party and the Issuer or such Security Party, as the case may be, has not taken any action in good faith to set aside such winding up petition within thirty (30) days from the date of service of such winding up petition or a winding up order has been made against the Issuer or such Security Party, as the case may be Provided That this event of default shall not apply to any step taken or any petition for winding up, dissolution or liquidation which is frivolous or vexatious;

Principal Terms and Conditions

- (f) the Issuer or any Security Party changes or threatens to change the nature or scope of any part of its business, or suspends or threatens to suspend or cease or threatens to cease the operation of any part of its business which it now conducts directly or indirectly;
- (g) at any time it is illegal or unlawful for the Issuer or the Security Party to perform any of its obligations under the Transaction Documents to which it is a party or at any time any of the provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable;
- (h) all or any part of the assets, undertakings, rights or revenue of the Issuer or any Security Party are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body and such seizure, nationalisation, expropriation or compulsory acquisition would have a Material Adverse Effect;
- (i) any of the Project Documents is terminated, or there has been a breach of any obligation or term by any project counterparty under any such Project Documents which would, in the opinion of the Sukuk Trustee have a Material Adverse Effect and which, if in the opinion of the Sukuk Trustee is capable of remedy, has not been remedied to the satisfaction of the Sukuk Trustee within the period to be agreed between the Issuer and the Sukuk Trustee;
- (j) where there is a revocation, termination, withholding, invalidation or modification of any license, permit, authorisation, approval or consent that may impair or prejudice the ability of the Issuer or any Security Party to comply with the terms or perform any of their respective obligations under the Transaction Documents in accordance with the terms thereof and (and in the case of the Project Documents, the Sukuk Trustee is of the opinion that such event would have a Material Adverse Effect);
- (k) any governmental approval required for the construction or operation of the Project is revoked, suspended, terminated, withdrawn or has expired and is not renewed or otherwise ceases to be in full force and effect and the Sukuk Trustee is of the opinion that such event would have a Material Adverse Effect;
- (l) the Issuer or the Security Party repudiates any of the Transaction Documents to which it is a party or the Issuer or the Security Party, as the case may be, does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents to which it is a party and which, in relation to the Project Documents, such repudiation, act or thing evidencing an intention to repudiate would in the opinion of the Sukuk Trustee have a Material Adverse Effect;
- (m) any event or events has or have occurred or a situation exists which gives reasonable grounds for the Sukuk Trustee to believe that such event would have a Material Adverse Effect, provided that no Event of Default shall be deemed to have occurred if such event or situation is in the opinion of the Sukuk Trustee, capable of being remedied and the Issuer remedies such event or situation to the satisfaction of the Sukuk Trustee as may be allowed under the Transaction Documents for the relevant event or situation) after the Issuer became aware or having been notified in writing by the Sukuk Trustee of the event or situation;
- (n) any representation or warranty made by the Issuer or the Security Party under any provision of the Financing Documents to which it is a party or any information, notice, opinion or certificate or other document delivered pursuant to the terms of the Financing Documents proves to have been incorrect or misleading in any

Principal Terms and Conditions

material respect as of the date at which such representation or warranty is made or repeated, or the date at which such information, notice, opinion or certificate or other document is delivered (in each case) by reference to the facts and circumstances existing at such date;

(o) for whatever reason any of the Security Interests created under any of the Financing Documents cannot be perfected or is in jeopardy or rendered invalid or defective in any way or ceases to have first ranking priority (save and except for those which are preferred by law);

(p) the occurrence of total loss or destruction of, or damage to the whole (and not part only) of the Power Facility or any event or occurrence that renders the whole (and not part only) of the Power Facility permanently unfit for any economic use and in each case, beyond economic repair or reinstatement of such thresholds to be agreed with the Sukuk Trustee or so declared by the relevant insurers;

(q) the Issuer fails to pay any amount due from it under the Sukuk Murabahah Programme or the Financing Documents on the due date or, if so payable, on demand;

(r) any indebtedness for borrowed moneys of the Issuer exceeding (in aggregate) Ringgit Malaysia Fifty Million (RM50,000,000.00) becomes due or payable or capable of being declared due or payable prior to its stated maturity or any guarantee or similar obligations of the Issuer is not discharged at maturity or when called and such declaration of indebtedness being due or payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by the Issuer within thirty (30) days from the date of such declaration or call;

(s) any indebtedness for borrowed moneys of TBEI becomes due or payable or capable of being declared due or payable prior to its stated maturity or any guarantee or similar obligations of TBEI is not discharged at maturity or when called and such declaration of indebtedness being due or payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by TBEI within thirty (30) days from the date of such declaration or call;

(t) the Issuer or any Security Party convenes a meeting of creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with their respective creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of their respective indebtedness or makes any assignment for the benefit of their respective creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Sukuk Trustee, unless during or following such reconstruction the Issuer or such Security Party becomes or is declared to be insolvent) or where a scheme of arrangement under Section 366 of the Companies Act has been instituted against the Issuer or any Security Party;

(u) anything analogous to any of the events specified in paragraphs (c), (e) or (t) occurs under the laws of any applicable jurisdiction;

(v) the Issuer or TBEI is deemed unable to pay any of its debts within the meaning of Section 466(1) of the Companies Act or becomes unable to pay any of its debts generally as they fall due or suspend or threaten to suspend making payments with respect to all or any class of its debts;

Principal Terms and Conditions

(w) at any time there shall occur any change in any applicable law, order, decree or regulation (including any environmental laws or any change in the terms and conditions attaching to any environmental licences taking into account any moratorium, waiver or grace period granted in respect of such change) which has a Material Adverse Effect;

(x) where:

(i) the Generation Licence is terminated, revoked or ceases to be in full force and effect without a substitute licence being issued therefor within one hundred eighty (180) days of such termination, revocation or cessation; or

(ii) the Generation Licence is modified and the effect of such modification would be to prevent the implementation or carrying out of the Project or in the opinion of the Sukuk Trustee would have a Material Adverse Effect; or

(iii) any condition or provision of the Generation Licence is not complied with and such non-compliance has not been remedied or waived by the Energy Commission of Malaysia in writing (in each case) within thirty (30) days of its occurrence unless the Energy Commission of Malaysia has permitted the Issuer to remedy such non-compliance and the Issuer has demonstrated to the satisfaction of the Security Trustee by the thirtieth (30th) day of its occurrence, that it will remedy such non-compliance within ninety (90) days of its occurrence or such other cure period as may be allowed by the Energy Commission of Malaysia;

(y) TNB:

(i) is wound up, dissolved or liquidated, other than voluntary dissolution or liquidation as part of a reorganization or re-incorporation;

(ii) applies for or consents to a receiver, manager, custodian, trustee or liquidator being appointed over or taking possession of all of its assets;

(iii) makes a general assignment or an arrangement or composition with or for the benefit of all its creditors;

(iv) commences a voluntary case or files a petition seeking to take advantage of any law relating to bankruptcy, insolvency, insolvent reorganization of its debts, winding-up of its debts;

(v) fails to set aside any petition filed against it in an involuntary case under any bankruptcy or similar law and no appeal against such petition has been made to any appropriate appellate court within the time prescribed by law;

(vi) acquiesces in writing to any petition filed against it in an involuntary case under any bankruptcy or similar law;

(z) if TNB or the Energy Commission of Malaysia exercises its step-in rights under the PPA as a result of the Issuer's default under the PPA, or evinces an intention to exercise such step-in rights; and

(aa) an environmental or social claim is brought against the Issuer and/or TBEI which individually or in aggregate results in a Material Adverse Effect on the implementation of the Project in accordance with applicable environmental standards and regulations,

On and at any time after the occurrence of an Event of Default which is continuing, and so long as the Sukukholders have not waived such Event of Default, the Sukuk Trustee may and shall, if so directed by the Sukukholders by way of an

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

extraordinary resolution, by written notice to the Issuer, (i) declare that an Event of Default has occurred; (ii) that all amounts under the Sukuk Murabahah then outstanding be immediately due and payable whereupon they shall become immediately due and payable; and (iii) on behalf of the Sukukholders exercise the following remedies:

(a) exercise their rights under the Financing Documents to step-in operate the Project; and

(b) enforce security and/ or exercise any and all such other rights granted to the Sukukholders under the security documents.

(34) Governing laws : Laws of Malaysia.

(35) Provisions on buy-back, if applicable : No provision on buy-back

(36) Provisions on early redemption, if applicable : No provision on early redemption

(37) Voting : All matters/resolutions which require the Sukukholders' consent/approval under the Sukuk Murabahah shall be carried out on a collective basis.

(38) Permitted investments, if applicable : The Issuer shall be permitted from time to time to utilise funds held in the Designated Accounts to make Permitted Investments, provided that:

(a) Upon the maturity of such Permitted Investments, the Issuer shall remit or cause and procure to remit such funds utilised for Permitted Investments together with any profit or interest to the relevant Designated Accounts to meet any payment obligations of the Issuer at least three (3) business days (at least one (1) business day in the case of money market instruments issued by BNM or the Government) before such obligations are due and payable;

(b) Such Permitted Investments are to be held and not traded. However, in the event that such Permitted Investments subsequently fails to meet any of the criteria for Permitted Investments, that Permitted Investment shall be immediately disposed of; and

(c) Such Permitted Investments are to be denominated in RM,

Permitted Investments shall comprise investment products approved by the SC's Shariah Advisory Council ("SAC"), BNM's Shariah Council and/ or other recognised Shariah authorities. Permitted Investments are as follows:

(a) Mudharabah, wadiah and other deposits with licensed financial institutions with a short-term rating of P1 and a minimum long-term rating of AA3 by RAM or their local or foreign equivalents; or

(b) Bankers acceptances, bill, other money market instruments issued by licensed financial institutions with a short term rating of P1 and a minimum long term rating

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions

of AA3 by RAM or their local or foreign equivalents; or

(c) Capital preserved money market funds approved by the SC and issued by licensed financial institutions with a minimum long-term rating of AA3 by RAM or their local or foreign equivalents; or

(d) Principal protected structured investments approved by BNM and issued by licensed financial institutions with a short term rating of P1 and a minimum long term rating of AA3 by RAM or their local or foreign equivalents; or

(e) Treasury bills, money market instruments, and other Shariah compliant debt instruments issued by BNM or the Government of Malaysia.

(39) Ta'widh (for ringgit-denominated sukuk) : In the event of delay in any amounts due under any series of the Sukuk Murabahah, the Issuer shall pay the compensation on such delayed amounts at the rate and manner prescribed by the SC's SAC from time to time in accordance with Shariah principle.

(40) Ibra' (for ringgit-denominated sukuk) : The Sukukholder(s) in subscribing or purchasing the Sukuk Murabahah consent to grant Ibra', if the Sukuk Murabahah is redeemed before the maturity date, upon the declaration of an Event of Default or upon such early redemption.

In case of declaration of an Event of Default, the Ibra' shall be the unearned profit due and calculated from the date of the declaration of an Event of Default up to the Sukuk Murabahah's respective maturity date(s).

In case of an early redemption, the Ibra' (if any) shall be at the discretion of the Sukukholders based on a formula to be mutually agreed by both parties.

"Ibra'" means an act of releasing absolutely or conditionally Sukukholders' rights and claims on any obligation against the Issuer which would result in the latter being discharged of its obligation or liabilities towards the Sukukholders. The release may be either partially or in full.

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

(42) Waivers from 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 : Not applicable.

Tanjung Bin Energy Sdn Bhd ("Issuer" or TBE)

Islamic medium term notes ("Sukuk Murabahah") programme of up to RM4.5 billion in nominal value ("Sukuk Murabahah Programme").

Principal Terms and Conditions
