

DRB-HICOM Berhad (Issuer)

Islamic medium term notes programme of up to Ringgit Malaysia Three Billion Five Hundred Million (RM3,500,000,000.00) in nominal value under the Shariah principle of Wakalah bi Al-Istithmar (Sukuk Wakalah Programme).

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : DRB-HICOM Berhad ("Issuer")
- (2) Address : Business and Registered Address: Level 5, Wisma DRB-HICOM No. 2, Jalan Usahawan U1/8 Seksyen U1 40150 Shah Alam Selangor
- (3) Date of incorporation: 28 August 1990
- (4) Place of incorporation : Malaysia
- (5) Business registration: 199001011860 (203430-W)
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Bursa Malaysia
- (8) Date of listing : 4 September 1992
- (9) Principal activities : Investment in the automotive (including defence and composite manufacturing), services (including integrated logistics, banking and postal businesses) and property, assets and construction segments
- (10) Issued and paid-up : The issued and paid-up capital of the Issuer as at 30 September 2019 is
share capital RM1,740,302,000 comprising 1,933,237,051 ordinary shares.

- (11) Structure of shareholdings and names of substantial shareholders or, in the case of a public company, names of all substantial shareholders : The structure of shareholding and names of substantial shareholders of the Issuer as at 30 September 2019 are as follows:

	No. of ordinary shares held		No. of ordinary shares held	
Name	Direct	%	Indirect	%
Etika Strategi Sdn Bhd	1,081,061,741	55.92	-	-
Employees Provident Fund Board	149,488,297	7.733	-	-

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Tan Sri Dato' Seri Syed Mokhtar Shah Syed Nor*	-	-	1,081,061,741	55.92
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**By virtue of his deemed interest through Etika Strategi Sdn Bhd pursuant to Section 8 of the Companies Act 2016*

(12) Board of directors :

No.	Name
1	Dato' Mohammad Zainal bin Shaari
2	Dato' Sri Syed Faisal Albar bin Syed A.R. Albar
3	Datuk Ooi Teik Huat
4	Dato' Siti Fatimah bt Daud
5	Dato' Ibrahim bin Taib
6	Datuk Idris bin Abdullah @ Das Murthy
7	Tee Beng Thong
8	Sharifah Sofia binti Syed Mokhtar Shah

(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
- The Issuer and its board members have not 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 and no action has been initiated against the Issuer and its board members for breaches of the same for the past ten years prior to the lodgement.

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board members
for breaches of
the same, for
the past ten
years prior to
the lodgement/
since
incorporation
(for issuer
incorporated
less than ten
years)

- (ii) If the issuer has: 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
- The Issuer has not 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	DRB-HICOM Berhad
2	Principal Adviser	Maybank Investment Bank Berhad
3	Principal Adviser	RHB Investment Bank Berhad
4	Lead Arranger	Maybank Investment Bank Berhad ("Maybank IB") & RHB Investment Bank Berhad ("RHB IB") (collectively, "JLAs")
5	Solicitors	Messrs Albar & Partners (as solicitors for the JPAs/JLAs)

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6	Solicitors	Messrs Wong & Partners (as solicitors for the Issuer)
7	Shariah Adviser	Maybank Islamic Berhad ("Maybank Islamic") & RHB Islamic Bank Berhad ("RHB Islamic") (collectively, "Joint Shariah Advisers")
8	Facility Agent	Maybank IB
9	Sukuk Trustee	Malaysian Trustees Berhad
10	Security Trustee	Malaysian Trustees Berhad
11	Credit Rating Agency	Malaysian Rating Corporation Berhad

(b) At the point of distribution

No.	Roles	Name of parties
1	Issuer	DRB-HICOM Berhad
2	Lead Manager	Maybank IB & RHB IB (collectively, "JLMs") and/or such other financial institution(s) as may be appointed and mutually agreed between the Issuer and the JLAs/JLMs prior to the issuance of the Sukuk Wakalah
3	Facility Agent	Maybank IB
4	Shariah Adviser	Maybank Islamic & RHB Islamic
5	Central Depository	Bank Negara Malaysia ("BNM")
6	Paying Agent	BNM

(c) After distribution

No.	Roles	Name of parties
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1	Issuer	DRB-HICOM Berhad
2	Principal Adviser	Maybank Investment Bank Berhad
3	Facility Agent	Maybank IB
4	Sukuk Trustee	Malaysian Trustees Berhad
5	Security Trustee	Malaysian Trustees Berhad
6	Shariah Adviser	Maybank Islamic & RHB Islamic
7	Central Depository	BNM
8	Paying Agent	BNM
9	Credit Rating Agency	Malaysian Rating Corporation Berhad
10	Principal Adviser	RHB Investment Bank Berhad

(C) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : Islamic medium term notes programme of up to Ringgit Malaysia Three Billion Five Hundred Million (RM3,500,000,000.00) in nominal value under the Shariah principle of Wakalah bi Al-Istithmar ("Sukuk Wakalah Programme").
- (2) One-time issue or programme : Programme
- (3) Shariah principles (for sukuk) : 1. Wakalah bi al-Istithmar
2. Murabahah (via Tawarruq arrangement)
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : **Underlying Transaction**
The Islamic medium term notes issued and to be issued under the Sukuk Wakalah Programme ("**Sukuk Wakalah**") from time to time shall be effected as follows:
Step 1
Pursuant to a Wakalah agreement entered into between the Sukuk Trustee (acting

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on behalf of the holders of the Sukuk Wakalah ("**Sukukholders**") and the Issuer ("**Wakalah Agreement**"), the Issuer shall be appointed as agent of the Sukukholders ("**Wakeel**") to invest the issue proceeds raised from the Sukuk Wakalah ("**Sukuk Proceeds**") in a Shariah-compliant Wakalah portfolio ("**Wakalah Portfolio**") and manage the Wakalah Portfolio, in accordance with the provisions of the Wakalah Agreement. Each Wakalah Portfolio shall comprise a combination of investment in the following:

(a) Shariah-compliant general business of the Issuer ("**Shariah-compliant Business**") which shall represent the Sukukholders' interest in the Shariah-compliant Business; and

(b) Shariah-compliant commodities which may include but are not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are available through the commodity trading platform acceptable to the Joint Shariah Advisers which will be identified at or around the time of issuance of the Sukuk Wakalah ("**Commodities**") (to be sold to the Issuer as the purchaser ("**Purchaser**")) ("**Commodity Murabahah Investment**").

Step 2

The Wakeel shall declare a trust on the Sukuk Proceeds and the Wakalah Portfolio for the benefit of the Sukukholders.

The Issuer shall, from time to time, issue the Sukuk Wakalah to the Sukukholders and the Sukukholders shall subscribe to the Sukuk Wakalah by paying the Sukuk Proceeds. The relevant Sukuk Wakalah shall represent the relevant Sukukholders' undivided proportionate interest in the relevant Wakalah Portfolio.

Step 3

Pursuant to an investment agreement entered into between the Wakeel and the Issuer (as the investment manager ("**Investment Manager**")) ("**Investment Agreement**"), the Wakeel (on behalf of the Sukukholders) shall utilise at least thirty three per cent (33%) of the Sukuk Proceeds of the relevant Sukuk Wakalah for investment into the Shariah-compliant Business via the Investment Manager, subject to the valuation principles set out in the Wakalah Agreement. The Investment Manager shall manage the Shariah-compliant Business for the benefit of the Sukukholders.

For the avoidance of doubt, the above ratio is only applicable at the point of initial investment for the relevant Sukuk Wakalah and does not need to be maintained throughout the tenure of the relevant Sukuk Wakalah. However, the Wakeel shall ensure that the Shariah-compliant Business shall at all times be a component of the Wakalah Portfolio.

Step 4

The remaining Sukuk Proceeds of the relevant Sukuk Wakalah shall be utilised by the Wakeel (on behalf of the Sukukholders) for the Commodity Murabahah Investment. The Commodity Murabahah Investment shall be effected as follows:

(a) Pursuant to a commodity Murabahah investment agreement entered into between the Purchaser, the Wakeel and the Sukuk Trustee ("**Commodity Murabahah Investment Agreement**"), the Purchaser shall, from time to time, issue a purchase order ("**Purchase Order**") to the Wakeel and the Sukuk Trustee

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with an undertaking to purchase the Commodities from the Wakeel at the Deferred Sale Price (as defined herein).

(b) Pursuant to the Purchase Order, the Wakeel shall purchase the Commodities on spot basis from the commodity supplier(s) (via a commodity trading participant) at the commodity purchase price equivalent to such remaining Sukuk Proceeds of the relevant Sukuk Wakalah after investment into the Shariah-compliant Business ("**Commodity Purchase Price**").

(c) Upon acquiring the Commodities, the Wakeel (on behalf of the Sukukholders) shall sell the Commodities to the Purchaser for a sale price equivalent to the aggregate of the Commodity Purchase Price and the profit margin, payable on a deferred payment basis ("**Deferred Sale Price**"). For the avoidance of doubt, the Deferred Sale Price shall be equal to the aggregate of the Expected Periodic Distribution Amount (as defined herein) and the nominal value of the relevant Sukuk Wakalah.

(d) The Purchaser shall, subsequently sell the Commodities on spot basis to a commodity buyer (via a commodity trading participant) for an amount equivalent to the Commodity Purchase Price.

"**Expected Periodic Distribution Amount**" refers to the expected periodic distribution amount payable on the Periodic Distribution Date (as defined herein), calculated based on the Periodic Distribution Rate (as defined herein).

Step 5

The Wakeel shall distribute income generated from the Wakalah Portfolio ("**Income**") up to:

(a) in respect of the Sukuk Wakalah with periodic distributions, the Expected Periodic Distribution Amount to the Sukukholders in the form of periodic distributions on each Periodic Distribution Date; or

(b) in respect of the Sukuk Wakalah without periodic distributions, the Expected One-off Distribution Amount (as defined herein) to the Sukukholders in the form of a one-off distribution on the Maturity Date (as defined herein) or the Dissolution Declaration Date (as defined herein), whichever is earlier.

Any excess above the Expected Periodic Distribution Amount or the Expected One-off Distribution Amount, as the case may be, shall be waived by the Sukukholders and retained by the Wakeel as incentive fee.

"**Expected One-off Distribution Amount**" refers to the expected one-off distribution amount payable on the Maturity Date or the Dissolution Declaration Date, whichever is earlier, which is an amount equivalent to the difference between the nominal value of the relevant Sukuk Wakalah and the Sukuk Proceeds of the relevant Sukuk Wakalah.

Step 6

The Issuer (as the obligor ("**Obligor**")) shall issue a purchase undertaking ("**Purchase Undertaking**") in favour of the Sukuk Trustee (acting on behalf of the Sukukholders), under which the Obligor undertakes to purchase the Sukukholders' interest in the Shariah-compliant Business from the Sukuk Trustee (acting on behalf of the Sukukholders) on:

(a) the maturity date of the relevant Sukuk Wakalah ("**Maturity Date**"); or

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(b) the date of declaration of a Dissolution Event (as defined herein) ("**Dissolution Declaration Date**"),

whichever is earlier, at the market value of the Shariah-compliant Business ("**Exercise Price**") and enter into a sale agreement for such purchase.

The Sukuk Trustee (acting on behalf of the Sukukholders) shall issue a sale undertaking ("**Sale Undertaking**") in favour of the Issuer under which the Sukuk Trustee shall sell the Shariah-compliant Business to the Issuer upon early redemption at the Exercise Price and enter into a sale agreement for such sale.

Step 7

Proceeds from the Wakalah Portfolio made up of the Exercise Price, the outstanding Deferred Sale Price (subject to *Ibra'*) and any returns generated under the Wakalah Portfolio shall be paid to the Sukukholders to redeem the relevant Sukuk Wakalah. Any excess above the nominal value or the accreted value (as the case may be) and if applicable any excess above the accrued but unpaid Expected Periodic Distribution Amount of the relevant Sukuk Wakalah shall be waived by the Sukukholders and retained by the Wakeel as an incentive fee upon full redemption of the relevant Sukuk Wakalah. Upon full payment of all amounts due and payable under the relevant Sukuk Wakalah, the trust in respect of the relevant Wakalah Portfolio will be dissolved and the relevant Sukuk Wakalah held by the Sukukholders will be cancelled.

The transaction structure of the Sukuk Wakalah Programme is set out in the attachment entitled "**Diagram and description on the transaction structure of the Sukuk Wakalah Programme**".

- | | | |
|--|---|---|
| (5) Currency | : | Ringgit |
| (6) Expected facility/
programme size | : | Up to MYR 3,500,000,000.00 |
| (7) Option to upsize (for :
programme) | : | Yes |
| (8) Tenure of facility/
programme | : | 30 year(s) |
| (9) Availability period for:
debt/ sukuk
programme | : | The Sukuk Wakalah shall be available for issuance under the Sukuk Wakalah Programme upon completion of the Transaction Documents (as defined herein) and fulfilment of all conditions precedent therein and all other applicable conditions to the satisfaction of the JPAs/JLAs (unless otherwise waived by the JPAs/JLAs) until the expiry of the tenure of the Sukuk Wakalah Programme provided that the first issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme shall be made within sixty (60) business days from the date of the lodgement with the SC. |
| (10) Clearing and | : | PayNet |

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settlement platform

- (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
(ii) After issuance:
☒ Part I of Schedule 6 of the CMSA
☒ Read together with Schedule 9 of CMSA
- (13) Tradability and transferability : Size in Ringgit which are tradable and transferable:
MYR 3,500,000,000.00
Size in Ringgit which are non-tradable and non-transferable:
Not applicable
- (14) Secured/combination of unsecured and secured, if applicable : The Sukuk Wakalah shall be secured by the following securities ("**Security Documents**"):
(1) assignment of the Issuer's present and future rights, interests, title and benefits in all proceeds, revenue and income arising from any entitlements to the Issuer, including but not limited to payments/ repayments, distributions of capital, dividend payments and advances from the subsidiaries and associates within the enlarged group of the Issuer ("**Assignment of Receivables**");
(2) assignment and charge over the Issuer's present and future rights, interests, title and benefits in the RA (as defined herein) and the credit balances therein ("**Assignment and Charge of RA**");
(3) assignment and charge over the Issuer's present and future rights, interests, title and benefits in the FSRA (as defined herein) and the credit balances therein ("**Assignment and Charge of FSRA**"); and
(4) such other security(ies) as may be required by the JPAs/JLAs and/or the Solicitors to be mutually agreed with the Issuer and subject to the approval of the Joint Shariah Advisers.
Items (1) and (2) above shall be shared on a *pari passu* basis between the Sukuk Wakalah and the syndicated Islamic term financing facility of up to Ringgit Malaysia One Billion Five Hundred Million (RM1,500,000,000.00) ("**Facility**"). The security sharing arrangement will be set out in a priority and security sharing agreement ("**Priority and Security Sharing Agreement**").
- (15) Details of guarantee, if applicable : Not guaranteed

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

To include but not limited to the following:

(1) the Issuer shall and shall procure that the Material Subsidiaries (as defined herein) shall maintain in full force and effect and comply with all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and shall promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which are necessary to enable the Issuer and the Material Subsidiaries to own its assets, to carry on its business or for the Issuer to enter into or perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability, admissibility in evidence or priority of the liabilities and obligations of the Issuer, and the rights of the Sukukholders, the Sukuk Trustee, the Security Trustee and the JPAs/JLAs under the Transaction Documents;

“**Material Subsidiaries**” is defined as any subsidiary which contributes five per cent (5%) or more to the consolidated revenue and/or profit before tax of the Issuer;

(2) the Issuer shall at all times on demand execute all such further documents and do all such further acts as the Sukuk Trustee and/or the Security Trustee considers necessary or expedient to give effect to the terms and conditions of the Transaction Documents and/or for the benefits of all rights, powers and remedies conferred upon the Sukuk Trustee and/or the Security Trustee, as the case may be, in the Transaction Documents;

(3) the Issuer shall and shall procure that the Material Subsidiaries shall exercise reasonable diligence in carrying out and conducting of its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices of the industry and in accordance with its constitution;

(4) the Issuer shall promptly fulfil, comply with, perform and carry out all provisions of the Transaction Documents and all its obligations under the Transaction

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Documents and the terms and conditions of the Sukuk Wakalah Programme (including but not limited to redeeming the Sukuk Wakalah on the relevant Maturity Date(s) or any other date on which the Sukuk Wakalah are due and payable) and immediately notify the Sukuk Trustee in the event that it is unable to fulfil, comply with, perform or carry out any of the provisions of the Transaction Documents or any of its obligations under the Transaction Documents or any of the terms and conditions of the Sukuk Wakalah Programme;

(5) the Issuer shall prepare its financial statements on a basis consistently applied in accordance with the approved accounting principles and standards in Malaysia and those financial statements shall give a true and fair view of the results of the financial position and operations of the Issuer for the period to which the financial statements are made up and disclose or provide against all liabilities (actual or contingent) of the Issuer;

(6) the Issuer shall and shall procure that the Material Subsidiaries shall promptly comply with all applicable laws, requirements, rules, regulations, orders, guidelines, notes, circulars and conditions including provisions of the CMSA and/or any requirements, rules, regulations, orders, guidelines, notes, circulars and conditions issued and/or imposed by the SC, the Bank Negara Malaysia ("**BNM**") and other regulatory authorities from time to time in relation to the Sukuk Wakalah Programme including any applicable anti-money laundering and anti-terrorism financing laws;

(7) the Issuer shall undertake that the operation of the Sukuk Wakalah shall at all times be governed by guidelines issued and to be issued by the SC and/or other authorities having jurisdiction over matters pertaining to the Sukuk Wakalah;

(8) the Issuer shall at all times maintain a paying agent who is based in Malaysia;

(9) the Issuer shall procure that the Paying Agent shall forthwith notify the Sukuk Trustee, through the Facility Agent, if for any reason whatsoever (a) the amounts received by the Paying Agent from the Issuer are insufficient; or (b) the Paying Agent does not receive payment in respect of the Sukuk Wakalah from the Issuer on the due dates and in the manner as required under the Transaction Documents and the terms and conditions of the Sukuk Wakalah Programme;

(10) the Issuer shall maintain and/or cause to be maintained adequate *takaful*/insurances cover in respect of its assets and business and all other *takaful*/insurances necessary for its assets and business in accordance with common industry practice for business of such nature with reputable *takaful*/insurance companies and notify the Sukuk Trustee of any event which will or may give rise to any claim or right of action under any *takaful*/insurances;

(11) the Issuer shall file all relevant tax returns and pay all taxes and other liabilities promptly upon the same becoming due except to the extent that taxes are being contested in good faith and an adequate reserve has been set aside with respect thereto;

(12) the Issuer shall maintain proper books, accounts and records at all times, and shall provide the Sukuk Trustee or the Sukuk Trustee's agent and servants and any person appointed or authorised by the Sukuk Trustee, during business hours with prior written notice, to have access to and to inspect such books, accounts and records to the extent permitted by law;

(13) the Issuer shall ensure that the terms in the trust deed of the Sukuk Wakalah

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Programme ("**Trust Deed**") do not contain any matter which is inconsistent with the provisions of the information memorandum to be issued by the Issuer in respect of the Sukuk Wakalah Programme ("**Info Memo**");

(14) the Issuer shall ensure that any loans, advances and/or other forms of equity contribution obtained from its shareholders are made on an arm's length basis and shall cause and ensure that these loans, advances and/or other forms of equity contribution obtained from its shareholders shall be subordinated to the Sukuk Wakalah; and

(15) any other covenants as advised by the Solicitors and to be mutually agreed by the JPAs/JLAs and the Issuer including but not limited to the requirements under the SC's Trust Deeds Guidelines.

Negative covenants

To include but not limited to the following:

(1) the Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing (collectively, "**Security Interest**") over all or any part of its assets, save and except for:

(a) the Security Interest created or to be created for the Sukuk Wakalah Programme and the Facility; and

(b) liens arising in the ordinary course of business by operation of law and not by way of contract,

(collectively, "**Permitted Security**");

(2) the Issuer shall not and shall procure that the Material Subsidiaries shall not transfer, sell, lease or otherwise dispose of or in any case cease to exercise control, whether by single transaction or a number of transactions, over the Issuer's and the Material Subsidiaries' undertaking, business and assets, the book value (as reflected in the Issuer's latest quarterly unaudited financial statements) of which is:

(a) more than ten per cent (10%) of the Issuer's consolidated net tangible assets on an aggregate basis per annum and which has or would have a Material Adverse Effect (as defined herein); or

(b) more than twenty five per cent (25%) of the Issuer's consolidated net tangible assets on an aggregate basis per annum,

save and except for:

(i) any transfer, sale, lease or disposal solely for the purposes of facilitating Shariah concepts used in Islamic financing facilities granted to the Issuer as allowed under the Sukuk Wakalah Programme and the Facility;

(ii) any transfer, sale, lease or disposal pursuant to the on-going corporate exercises that have been announced by the Issuer on Bursa Malaysia Securities Berhad prior to the date of the Trust Deed; and

(iii) any transfer, sale, lease or disposal within the Issuer Group (as defined herein);

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“Issuer Group” refers to collectively the Issuer and the subsidiary companies of the Issuer that are consolidated into the audited consolidated financial statements of the Issuer;

(3) the Issuer shall not add, delete, amend or substitute its constitution in a manner which may be materially prejudicial to the interest of the Sukukholders or inconsistent with the provisions of the Transaction Documents or do or omit to do any act or execute or omit to execute any document which may render any provisions of the Transaction Documents to be illegal, void, voidable or unenforceable;

(4) the Issuer shall not enter into any transaction, whether directly or indirectly, with its interested persons (as defined herein) unless:

(a) 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 of the Issuer; and

(b) with respect to transactions involving an aggregate payment or value equal to or greater than the relevant percentage ratio in respect of a related party transaction as provided in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**“MMLR”**) which require the Issuer to obtain certification from an independent adviser, the Issuer shall obtain certification from an independent adviser that the transaction is carried out on fair and reasonable terms,

provided that (i) the Issuer certifies to the Sukuk Trustee that the transaction complies with paragraph (a) above; (ii) the Issuer has received the certification referred to in paragraph (b) above (where applicable); and (iii) the transaction has been approved by the majority of its board of directors or shareholders at a general meeting, as the case may require;

(c) with respect to transactions constituting a recurrent related-party transaction of a revenue or trading nature (**“RRPT”**) which are provided for and permitted under the MMLR, provided that (i) the Issuer certifies to the Sukuk Trustee that the transaction complies with paragraph (a) above; (ii) the Issuer has obtained or renewed, where applicable, the shareholders’ mandate in accordance with the MMLR; and (iii) the Issuer furnishes at least one certificate to the Sukuk Trustee in respect of the RRPT contemplated under the shareholders’ mandate;

“interested person” includes directors, major shareholders and chief executive officer or such other category of persons as prescribed under the SC’s Trust Deeds Guidelines;

(5) the Issuer shall not make, grant, lend, provide or extend any financing/loans or advances to any person or company other than:

(a) to the Issuer’s directors, officers or employees as part of their terms of employment; or

(b) to the companies within the Issuer Group;

(6) the Issuer shall not make any payments to its shareholders in connection with any loans and/or advances from its shareholders for as long as the Sukuk Wakalah is outstanding;

(7) the Issuer shall not make any Distribution (as defined herein) whether income or capital in nature to its shareholders unless the Distribution Covenants (as

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defined herein) are met;

"Distribution" is defined as declaration or payment of dividends or distributions by the Issuer;

"Distribution Covenants" refers to the following conditions:

(a) no Dissolution Event or any event which, upon the giving of notice and/or the lapse of time and/or the issue of a certificate and/or a determination being made and/or the fulfilment of the relevant requirement as contemplated under the relevant Transaction Documents would constitute a Dissolution Event (**"Potential Dissolution Event"**) has occurred, is continuing or would have occurred following such Distribution;

(b) the balance standing to the credit of the FSRA is not less than the Minimum Required Balance (as defined herein);

(c) all Financial Covenants (as defined herein) are observed and complied with before and after such Distribution;

(8) the Issuer shall not surrender, transfer, assign, relinquish or otherwise dispose of any or all of its rights and interest under the Transaction Documents;

(9) the Issuer shall not do or suffer to be done any act, matter or thing whereby any takaful/insurances may be rendered void, voidable or incapable of being effected, maintained or renewed;

(10) the Issuer shall not utilise, change or allow the utilisation of the Sukuk Proceeds for any purposes other than for the purposes set out in the Transaction Documents;

(11) the Issuer shall not and shall procure that the Material Subsidiaries shall not cancel, surrender, abandon or otherwise change the nature or scope of their present businesses or suspend any part of their businesses which has or would have a Material Adverse Effect;

(12) the Issuer shall not and shall procure that the companies within the Issuer Group shall not undertake, permit or enter into any consolidation, amalgamation, merger, demerger, reconstruction, reorganization, corporate reconstruction or winding-up of the Issuer or any of the companies within the Issuer Group in such a manner which has or would have a Material Adverse Effect;

(13) the Issuer shall not and shall procure that the companies within the Issuer Group shall not cancel, surrender, abandon or amend or cause the cancellation, surrender, abandonment or amendment of their respective related licenses or grants in any way which has or would have a Material Adverse Effect unless such cancellation, surrender, abandonment or amendment is imposed by any applicable legislation or authorities or such license or grant is no longer required for the business or operation of the Issuer or any member of the Issuer Group under the applicable legislation or authorities;

(14) the Issuer shall not reduce nor in any way whatsoever alter (other than by way of increase), its issued paid-up capital in existence at the date of the Trust Deed, 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, or by any other manner; and

(15) any other covenants as advised by the Solicitors and to be mutually agreed by

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the JPAs/JLAs and the Issuer including but not limited to the requirements under the SC's Trust Deeds Guidelines.

"Material Adverse Effect" means a material adverse effect on or a material adverse change in:

- (1) the business or condition (financial or otherwise) of the Issuer;
- (2) the operations of the Issuer;
- (3) the ability of the Issuer to perform or comply with any of its obligations under the Transaction Documents; or
- (4) the legality, validity or enforceability of the Transaction Documents or the Security Interest granted or purporting to be granted pursuant to any Transaction Document or the right or remedies of the Sukuk Trustee, the Security Trustee or the Sukukholders thereunder.

Financial Covenants

The Issuer shall comply with the following financial covenants (collectively, **"Financial Covenants"**) throughout the tenure of the Sukuk Wakalah Programme and so long as any of the Sukuk Wakalah remain outstanding.

Finance Service Cover Ratio ("FSCR")

The Issuer shall maintain a FSCR of not less than one point five (1.5) times.

The FSCR is the ratio of Cumulative Available Cashflows (as defined herein), to the aggregate of:

- (1) all periodic distributions and principal payments obligations of the Issuer under the Sukuk Wakalah during each financial year; and
- (2) all principal and profit/interest payments obligations of the Issuer under any other financing/borrowings during each financial year.

"Cumulative Available Cashflows" is defined as for each financial year, the sum of:

- (1) the net operating cashflow;
- (2) opening cash balances (including balances already maintained in the Designated Accounts and the designated accounts for the Facility); and
- (3) any other receipts of a capital or revenue in nature (including but not limited to the Sukuk Proceeds and the proceeds from the Facility).

Finance to Equity Ratio ("FE Ratio")

The Issuer shall maintain a FE Ratio of not exceeding one point three five (1.35) times.

The FE Ratio is the ratio of indebtedness of the Issuer represented by:

- (1) all principal amounts outstanding under the Sukuk Wakalah; and
- (2) all other indebtedness for Islamic financing or borrowed moneys (be it actual or contingent), hire purchase obligations, finance lease obligations, net exposure determined on a marked to market basis under any derivative instrument;

to the shareholders' funds of the Issuer, including all share capital (including

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ordinary and preference shares), subordinated shareholders' advances/ financing/ loans, minority interests, irredeemable convertible unsecured loan stocks, hybrid capital and retained earnings/ losses.

Group Finance to Equity Ratio ("Group FE Ratio")

The Issuer shall maintain a Group FE Ratio of not exceeding one point five (1.5) times.

The Group FE Ratio is the ratio of indebtedness of the Issuer Group represented by:

- (1) all principal amounts outstanding under the Sukuk Wakalah; and
- (2) all other indebtedness for Islamic financing or borrowed moneys (be it actual or contingent), hire purchase obligations, finance lease obligations, net exposure determined on a marked to market basis under any derivative instrument and obligations/ contingent liabilities under guarantees;

to the shareholders' funds of the Issuer Group, including all share capital (including ordinary and preference shares), subordinated shareholders' advances/ financing/ loans, minority interests, irredeemable convertible unsecured loan stocks, hybrid capital and retained earnings/ losses.

The Financial Covenants shall be computed for each financial year of the Issuer based on the latest audited financial statements of the Issuer (in respect of the FSCR and the FE Ratio), the latest audited consolidated financial statements of the Issuer (in respect of the Group FE Ratio) and duly confirmed in writing by the Issuer's external auditors on an annual basis during the tenure of the Sukuk Wakalah Programme. The external auditor's confirmation is to be delivered by the Issuer to the Facility Agent for its distribution to the Sukuk Trustee and the Credit Rating Agency within one hundred and eighty (180) days after the end of each of its financial year.

For the avoidance of doubt, any double counting shall be disregarded.

Information Covenants

To include but not limited to the following:

- (1) the Issuer shall deliver to the Sukuk Trustee at least on an annual basis, a certificate signed by any one (1) authorised signatory of the Issuer confirming that it has observed, complied with and performed all its covenants and obligations under the Transaction Documents and the terms and conditions of the Sukuk Wakalah Programme and that there does not exist or had not existed, from the date the Sukuk Wakalah were first issued or the date of the previous certificate as the case may be, any Dissolution Event or any Potential Dissolution Event, and if such is not the case, to specify the same and steps being taken, if any, to remedy the same;
- (2) the Issuer shall deliver to the Sukuk Trustee the following:
 - (a) 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 year) copies of its annual consolidated financial statements for that financial year which shall contain the income statements and balance sheets of the Issuer which are audited and certified without qualification by a firm of independent certified public accountants acceptable to the Sukuk Trustee;

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(b) as soon as they become available (and in any event within ninety (90) days after the end of each of its half year financial period in accordance with the reporting format as required by Bursa Malaysia Securities Berhad) copies of its unaudited half yearly consolidated financial statements for that half year financial period which shall contain the income statements and balance sheets of the Issuer which are duly certified by at least one (1) director of the Issuer;

(c) promptly, to the extent permitted by law, such additional financial or other information as the Sukuk Trustee may from time to time reasonably request and such information which the Sukuk Trustee may reasonably require in order to discharge its duties and obligations under the Trust Deed; and

(d) promptly, all documents received by the Issuer from any of its shareholders or its creditors which content would materially and adversely affect the interest of the Sukukholders, 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 which content would materially and adversely affect the interest of the Sukukholders generally at the same time as these documents are dispatched to these shareholders or creditors which may be circulated by the Sukuk Trustee at its discretion to the Sukukholders, the qualified investors of the Sukuk Wakalah as well as the Credit Rating Agency;

(3) the Issuer shall promptly notify the Sukuk Trustee in the event that the Issuer becomes aware of the following:

(a) any Dissolution Event and any Potential Dissolution Event, 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 Dissolution Event or the Potential Dissolution Event;

(b) the happening of any event that has caused or could cause, one or more of the following:

(i) any amount secured or payable under the Sukuk Wakalah to become immediately payable;

(ii) the Sukuk Wakalah to become immediately enforceable; and

(iii) any other right or remedy under the terms, provisions or covenants of the Sukuk Wakalah or the Transaction Documents to become immediately enforceable;

(c) any circumstance that has occurred that would materially prejudice the Issuer or any security created in favour of the Security Trustee pursuant to the Transaction Documents;

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

(e) any change in the Issuer's withholding tax position or tax jurisdiction;

(f) any change in the utilisation of the Sukuk Proceeds other than for the purposes stipulated in the Info Memo and the Transaction Documents; and

(g) any other matter that may materially prejudice the interests of the Sukukholders;

(4) the Issuer shall promptly notify the Sukuk Trustee of any event which has or would have a Material Adverse Effect;

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(5) the Issuer shall promptly notify the Sukuk Trustee of any change in condition (financial or otherwise) and any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer before any court or tribunal or administrative agency which has or would have a Material Adverse Effect;

(6) the Issuer shall promptly notify the Sukuk Trustee of any change in the board of directors of the Issuer;

(7) the Issuer shall promptly notify the Sukuk Trustee if any of its authorised signatories is no longer authorised to act on the Issuer's behalf in respect of the Sukuk Wakalah Programme;

(8) the Issuer shall promptly notify the Sukuk Trustee of any amendments, variations, terminations, replacements or supplements of any of the Transaction Documents;

(9) the Issuer shall promptly notify the Sukuk Trustee and the Facility Agent, the list of the Material Subsidiaries on an annual basis, based on the latest audited consolidated financial statements of the Issuer; and

(10) any other covenants as advised by the Solicitors and to be mutually agreed by the JPAs/JLAs and the Issuer including but not limited to the requirements under the SC's Trust Deeds Guidelines.

(21) Details of designated account, if applicable : Name of account:
Revenue Account for the Sukuk Wakalah Programme and the Facility ("RA")

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Security Trustee

Signatories to account:
Security Trustee

Sources of funds:
The RA shall capture the following:

(1) all proceeds, revenue and income arising from any entitlements to the Issuer, including but not limited to payments/ repayments, distributions of capital, dividend payments and advances from the subsidiaries and associates within the enlarged group of the Issuer; and

(2) the funds utilised for Permitted Investments (as defined herein) and all profits, income and receivables generated from Permitted Investments from funds in the RA.

Utilisation of funds:
Funds in the RA shall be utilised in the following order of priority:

(1) transfer to the FSRA and the finance service reserve account for the Facility to top up any shortfall in order to maintain the Minimum Required Balance under the FSRA and the finance service reserve account for the Facility;

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- (2) payment of profit payments due under the Facility;
- (3) any excess monies thereafter may be remitted to the Issuer; and
- (4) investments in Permitted Investments.
- (22) Details of designated account, if applicable : Name of account:
Finance Service Reserve Account for the Sukuk Wakalah Programme ("FSRA")
- Parties responsible for opening the account:
Issuer
- Parties responsible for maintaining/operating account:
Security Trustee
- Signatories to account:
Security Trustee
- Sources of funds:
The FSRA shall capture the following:
- (1) amount transferred from the RA to meet the Minimum Required Balance; and
- (2) the funds utilised for Permitted Investments and all profits, income and receivables generated from Permitted Investments from funds in the FSRA.
- The Issuer shall at all times ensure that the Minimum Required Balance is maintained in the FSRA at least three (3) months before the relevant Periodic Distribution Date and/or Maturity Date.
- "Minimum Required Balance"** refers to an amount equivalent to the next periodic distributions and/or principal payments of the relevant tranche of the Sukuk Wakalah.
- Utilisation of funds:
Funds in the FSRA shall be utilised for:
- (1) payment of periodic distributions and principal payments due and payable under the relevant tranche of the Sukuk Wakalah; and
- (2) investments in Permitted Investments.
- Additional Notes:
The Shariah-compliant designated accounts above shall collectively be known as **"Designated Accounts"**.

- (23) 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	Malaysian Rating Corporation	A	Indicative rating		MYR 3,500,000,000.00

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(24) Conditions precedent : Conditions precedent relating to the availability of the Sukuk Wakalah Programme:

Main Documentation

(1) The relevant Transaction Documents (save for the Priority and Security Sharing Agreement, the Assignment of Receivables, the Assignment and Charge of RA and the Assignment and Charge of FSRA) in relation to the Sukuk Wakalah Programme have been executed and endorsed as exempted from stamp duty under Stamp Duty (Exemption) (No. 23) Order 2000.

(2) Evidence that the relevant Transaction Documents (save for the Assignment of Receivables, the Assignment and Charge of RA and the Assignment and Charge of FSRA) have been presented to the High Court of Malaya for the registration of the power of attorney therein contained.

Issuer

(1) Certified true copies of the Certificate of Incorporation and the constitution of the Issuer duly certified by the company secretary or any of its directors.

(2) Certified true copies of the latest Return for Allotment of Shares (or Form 24 as prescribed under the Companies Act 1965), Notification of Change in the Registered Address (or Form 44 as prescribed under the Companies Act 1965) and Notification of Change in the Register of Directors, Managers and Secretaries (or Form 49 as prescribed under the Companies Act 1965) of the Issuer duly certified by the company secretary or any of its directors.

(3) Certified true copy of the board resolution of the Issuer authorising, amongst others, the establishment of the Sukuk Wakalah Programme, the issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme and the execution of all relevant Transaction Documents, duly certified by the company secretary or any of its directors.

(4) A list of the Issuer's authorised signatories and their respective specimen signatures duly certified by the company secretary or any of its directors.

(5) A report of the relevant company search conducted on the Issuer at the Companies Commission of Malaysia.

(6) A report of the relevant winding-up search conducted on the Issuer at the Department of Insolvency of Malaysia, confirming that the Issuer is not wound up.

General

(1) Evidence that all transaction fees, costs, and expenses have been paid in full to the extent that the same are due and payable before the first issuance of the Sukuk Wakalah or arrangements have been made for the payment of such transaction fees, costs and expenses.

(2) Evidence that the endorsement from the Shariah Advisory Council ("**SAC**") of the SC and the acknowledgement in respect of the lodgement of the required information and documents relating to the Sukuk Wakalah Programme with the SC have been obtained.

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- (3) Confirmation that the Designated Accounts have been opened with such financial institution acceptable to the JPAs/JLAs in accordance with the provisions of the relevant Transaction Documents.
- (4) Confirmation that the Trustees' Reimbursement Account (as defined herein) has been opened with such financial institution acceptable to the JPAs/JLAs in accordance with the SC's Trust Deeds Guidelines and a sum of Ringgit Malaysia Thirty Thousand (RM30,000.00) has been deposited therein.
- (5) Confirmation from the Joint Shariah Advisers that the structure and mechanism of the Sukuk Wakalah Programme and the Transaction Documents are in compliance with Shariah.
- (6) Evidence that the Sukuk Wakalah Programme has been assigned a minimum long term credit rating of A+ or its equivalent from the Credit Rating Agency.
- (7) Receipt of satisfactory legal opinion from the Solicitors addressed to the JPAs/JLAs with respect to the legality, validity and enforceability of the relevant Transaction Documents and confirmation that all conditions precedent thereto have been fulfilled or otherwise waived, as the case may be.
- (8) Evidence of the completion of satisfactory legal due diligence exercise on the Issuer and the receipt of the relevant legal due diligence reports by the JPAs/JLAs from the Solicitors.
- (9) Where required, satisfactory evidence that all requisite consents/ approvals for the Issuer to establish the Sukuk Wakalah Programme have been obtained.
- (10) Such other conditions precedent as may be required by the JPAs/JLAs and/or as may be advised by the Solicitors and agreed by the Issuer.

Conditions precedent relating to the first issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme:

- (1) The Priority and Security Sharing Agreement, the Assignment and Charge of RA and the Assignment and Charge of FSRA have been executed and endorsed as exempted from stamp duty under Stamp Duty (Exemption) (No. 23) Order 2000.
- (2) Evidence that the Statement of Particulars to be lodged with Charge in respect of the Assignment and Charge of RA and the Assignment and Charge of FSRA for the purpose of registration of such charges with the Companies Commission of Malaysia in accordance with Section 352 of the Companies Act 2016 have been lodged with the Companies Commission of Malaysia.
- (3) Evidence that the Assignment and Charge of RA and the Assignment and Charge of FSRA have been presented to the High Court of Malaya for the registration of the power of attorney therein contained.
- (4) All relevant notices and acknowledgements of assignment shall have been served and received, as the case may be.
- (5) Where required, satisfactory evidence that all requisite consents/ approvals for the Issuer to issue the Sukuk Wakalah under the Sukuk Wakalah Programme have been obtained.
- (6) Such other conditions precedent as may be required by the JPAs/JLAs and/or as may be advised by the Solicitors and agreed by the Issuer.

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Conditions precedent relating to each issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme:

- (1) Receipt of the redemption statement cum undertaking from existing lenders/ sukukholders/ sukuk trustees/ facility agents/ security agents/ security trustees (where applicable) to redeem the existing borrowings/ sukuk utilising the Sukuk Proceeds, where applicable.
- (2) Each of the representations and warranties contained in the Transaction Documents shall be true and correct as though such representations and warranties had been made on the proposed issue date of the relevant Sukuk Wakalah and all the covenants and undertakings contained in the Transaction Documents shall have been complied with.
- (3) No Dissolution Event or Potential Dissolution Event has occurred, is continuing or would occur as a result of the issuance of the relevant Sukuk Wakalah.
- (4) Such other conditions precedent as may be required by the JPAs/JLAs and/or as may be advised by the Solicitors and agreed by the Issuer.

Conditions subsequent to be complied within the timeframe as may be mutually agreed by the JPAs/JLAs and the Issuer:

- (1) The Assignment of Receivables has been executed and endorsed as exempted from stamp duty under Stamp Duty (Exemption) (No. 23) Order 2000.
- (2) Evidence that the Statement of Particulars to be lodged with Charge in respect of the Assignment of Receivables for the purpose of registration of such charge with the Companies Commission of Malaysia in accordance with Section 352 of the Companies Act 2016 has been lodged with the Companies Commission of Malaysia.
- (3) Evidence that the Assignment of Receivables has been presented to the High Court of Malaya for the registration of the power of attorney therein contained.
- (4) All relevant notices and acknowledgements of assignment shall have been served and received, as the case may be.
- (5) Such other conditions subsequent as may be required by the JPAs/JLAs and/or as may be advised by the Solicitors and agreed by the Issuer.

(25) Representations and warranties

To include but not limited to the following:

- (1) the Issuer is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power and all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) to carry on its business and to own its property and assets;
- (2) the constitution of the Issuer incorporates provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) have been duly obtained and are in full force and effect which are required to authorise the Issuer to execute and deliver and perform the transactions contemplated in the Transaction Documents in accordance with their terms;
- (3) neither the execution and delivery of any of the Transaction Documents nor the performance of any of the transactions contemplated by the Transaction

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Documents did or does or shall:

(a) 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 or any of its assets is bound or which is applicable to the Issuer or any of its assets;

(b) cause any limitation on the Issuer or the powers of its directors, whether imposed by or contained in its constitution or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise, to be exceeded; or

(c) cause the creation or imposition of any Security Interest or restriction of any nature on any of the Issuer's assets;

(4) each of the Transaction Documents, is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, as the case may be, constitute, valid and legally binding obligations of the Issuer enforceable in accordance with their respective terms under the laws of Malaysia and that there is no law or regulation or any order or decree of any governmental authority, agency or court to which the Issuer is subject to which would be in conflict with or prevent the Issuer from executing, delivering and performing the transactions contemplated in each of the Transaction Documents;

(5) no authorisation, approval, consent, permit, license, exemption, registration, recording, filing, notarization of the Transaction Documents and no payment of any duty or tax and no other action whatsoever which has not been duly and unconditionally obtained, made or taken is necessary to ensure the legality, validity or enforceability of the liabilities and obligations of the Issuer or the rights of the JPAs/JLAs/JLMs, the Facility Agent, the Sukuk Trustee and the Security Trustee under the Transaction Documents in accordance with their terms or the admissibility in evidence of the Transaction Documents before the courts of Malaysia save and except for:

(a) registration of the power of attorney contained in the relevant Transaction Documents with the High Court of Malaya; and

(b) lodgement of the Statement of Particulars to be lodged with Charge in respect of the charges created under the relevant Transaction Documents with the Companies Commission of Malaysia in accordance with Section 352 of the Companies Act 2016;

(6) no event or circumstance has occurred or is continuing which would constitute a Dissolution Event or a Potential Dissolution Event;

(7) no event or circumstance has occurred or is continuing which would constitute a contravention of, or a default or termination event (however described) or potential event which upon the giving of notice and/or the lapse of time and/or the issue of a certificate and/or a determination being made and/or the fulfilment of the relevant requirement as contemplated under the relevant agreement or instrument by which the Issuer or any of its assets is bound or affected, would constitute a contravention of, or a default or termination event (however described) under any such agreement or instrument, which has or would have a Material Adverse Effect;

(8) the audited financial statements of the Issuer for each financial year have been prepared on a basis consistently applied in accordance with the approved accounting principles and standards in Malaysia and give a true and fair view of the

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results of the financial position and operations of the Issuer for the period to which the financial statements are made up and disclose or provide against all liabilities (actual or contingent) of the Issuer;

(9) save as disclosed in the Info Memo, no legal or governmental proceedings are presently in progress or pending or threatened against the Issuer, to which the Issuer is or may be a party or to which any properties or assets of the Issuer is or may be the subject, which has or would have a Material Adverse Effect;

(10) save as disclosed in the Info Memo, no litigation, arbitration, administrative proceeding, claim or dispute is being initiated or presently in progress or pending or, to the best knowledge, information and belief of the Issuer, threatened against the Issuer and/or any of its properties or assets, which has or would have a Material Adverse Effect;

(11) the Issuer is not in breach of the provisions of any law or regulations governing the relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and the Issuer is not aware of any reason why such authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) should be withdrawn or cancelled or any conditions attached thereto should be adversely altered;

(12) the Issuer is in compliance and will comply with all applicable laws, regulations, by-laws, orders, codes of practice, directives, guidelines, specifications, notices, circulars and other requirements of all relevant statutory bodies and any relevant federal, local or municipal government department or agencies;

(13) the Issuer and its obligations under the Transaction Documents and the Sukuk Wakalah are subject to civil and commercial law and to legal suits in Malaysia, and the execution, delivery and performance of the Transaction Documents constitute private and commercial acts rather than governmental or public acts and neither the Issuer nor any of its properties, assets or revenues are entitled to immunity on the ground of sovereignty or otherwise from any legal actions, suits, judgements, executions, proceedings or other legal process;

(14) no step has been taken by the Issuer, the Material Subsidiaries, any of their creditors and/or any of their shareholders and/or any other person on their behalf, nor have any legal proceedings or applications been started or threatened under Section 366 of the Companies Act 2016 in respect of the Issuer and/or the Material Subsidiaries;

(15) no meeting has been convened for the winding-up of the Issuer and/or the Material Subsidiaries and no petition or application is outstanding for the winding-up of the Issuer and/or the Material Subsidiaries and no winding-up order has been made against the Issuer and/or the Material Subsidiaries;

(16) all necessary returns have been delivered by or on behalf of the Issuer to the relevant taxation authorities within the requisite periods and are up-to-date, correct and made on a proper basis with the relevant taxation authorities and the Issuer is not in default in the payment of any taxes (unless (i) such default is contested by the Issuer in good faith and in accordance with the relevant procedures; (ii) for which adequate provisions are being made in accordance with the approved accounting principles and standards in Malaysia; and (iii) such default is not likely to have a Material Adverse Effect), and no material claim is being asserted with respect to taxes which is not disclosed in the financial statements of the Issuer;

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(17) all information in whatever form, document, statement or instrument furnished by the Issuer in connection with the Sukuk Wakalah Programme, the Info Memo, the Transaction Documents and the assets, business and affairs of the Issuer Group is true in all material aspects and do not contain any statements which are false or misleading and there is no material omission in respect thereof, and all expressions of expectations, intentions, belief and opinion contained therein were made on reasonable grounds after due and careful inquiry by the Issuer;

(18) the Issuer is the legal and beneficial owner of and has full beneficial title to all its properties and assets and there is no Security Interest on any of its properties and assets save and except for the Permitted Security;

(19) no change in the business, condition (financial or otherwise), performance or results of the operations of the Issuer and the Material Subsidiaries, which has or would have a Material Adverse Effect;

(20) no extraordinary circumstances or change of law or other governmental action has occurred which shall make it impossible that the business of the Issuer can be carried out or that the Issuer will be able to observe and perform the covenants and obligations on its part to be observed and performed under the Transaction Documents;

(21) no event or circumstances has occurred, nor has there been any omission to disclose a fact which, in any such case, would entitle any *takaful* operator/insurer to avoid, reject, repudiate or reduce its liability under any of the *takaful*/insurances required or any claim made thereunder and all of the *takaful*/insurances required to be effected are valid and binding and in full force and all *takaful* contributions/insurance premiums due have been paid and nothing has been done or omitted to be done which has made or could make any such contract or policy ineffective, invalid, void or voidable or any claim made thereunder liable to be avoided rejected or repudiated whether in whole or in part; and

(22) any other representations and warranties as advised by the Solicitors and to be mutually agreed by the JPAs/JLAs and the Issuer including but not limited to the requirements under the SC's Trust Deeds Guidelines.

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- (26) Events of defaults or : enforcement events, where applicable, including recourse available to investors
- The dissolution events ("**Dissolution Events**") shall include but not limited to the following:
- (1) the Issuer fails to pay any amount due under the Sukuk Wakalah and any of the Transaction Documents on the due date or, if so payable, on demand;
 - (2) the Issuer fails to comply with the provisions relating to the Minimum Required Balance and such failure is not remedied within fourteen (14) days after the relevant deposit date(s) as stipulated under the provisions relating to the FSRA;
 - (3) the Issuer fails to observe or perform any of its obligations under any of the Transaction Documents or the Sukuk Wakalah or under any undertaking or arrangement entered into in connection therewith (other than an obligation of the type referred to in paragraphs (1) and (2) above), and in the case of a failure which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy such failure within fourteen (14) business days after the Issuer became aware of the failure or having been notified by the Sukuk Trustee of such failure, whichever is earlier;
 - (4) any representation or warranty made or given or deemed made or given by the Issuer under the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the Sukuk Wakalah and/or any of the Transaction Documents proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given or if repeated at any time with reference to the facts and circumstances subsisting at such time, would not be correct or would be misleading in any material respect, and in the case of the circumstances giving rise to the misrepresentation which in the opinion of the Sukuk Trustee are capable of being remedied, the Issuer does not remedy such circumstances within fourteen (14) business days after the Issuer became aware or having been notified by the Sukuk Trustee of such misrepresentation, whichever is earlier;
 - (5) the Issuer and/or any of the Material Subsidiaries fails to perform or breaches any obligation under any of its existing contractual obligations which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect, and in the case of a failure or a breach which in the opinion of the Sukuk Trustee is capable of being remedied, it does not remedy such failure or breach within fourteen (14) business days after it became aware of the failure or having been notified by the Sukuk Trustee of such failure or breach, whichever is earlier;
 - (6) (a) any indebtedness for borrowed monies/financing of the Issuer is not paid when due; (b) any indebtedness for borrowed monies/financing of the Issuer becomes due and payable or capable of being declared due and payable prior to its stated maturity; (c) any guarantee or similar obligations of the Issuer is not discharged at maturity or when called; or (d) the Issuer goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, other obligations, or any security created to secure such indebtedness becomes enforceable;
 - (7) (a) any indebtedness for borrowed monies/financing of any of the Material Subsidiaries in excess of Ringgit Malaysia Fifty Million (RM50,000,000.00) is not paid when due; (b) any indebtedness for borrowed monies/financing of any of the Material Subsidiaries in excess of Ringgit Malaysia Fifty Million (RM50,000,000.00) becomes due and payable or capable of being declared due and payable prior to its stated maturity; (c) any guarantee or similar obligations of any of the Material

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Subsidiaries in excess of Ringgit Malaysia Fifty Million (RM50,000,000.00) is not discharged at maturity or when called; or (d) any of the Material Subsidiaries goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, other obligations, or any security created to secure such indebtedness becomes enforceable;

(8) (a) an encumbrancer takes possession of, or a trustee, receiver, liquidator, receiver and manager, judicial manager or other similar officer is appointed in respect of the whole or a substantial part of the business, properties, assets or undertakings of the Issuer and/or any of the Material Subsidiaries; (b) distress, execution, attachment, legal process, sequestration, expropriation or any form of execution or process is levied or enforced upon or sued out against the Issuer and/or any of the Material Subsidiaries in respect of the whole or a substantial part of its business, properties, assets, undertakings, rights or revenue which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect and is not discharged, withdrawn or set aside within the time prescribed by law. For the purpose of this paragraph, references to “**substantial**” shall mean such business, properties, assets, undertakings, rights or revenue of the Issuer and/or the Material Subsidiaries, the book value of which is more than five per cent (5%) of the Issuer's and/or the Material Subsidiaries' consolidated net assets. For the avoidance of doubt, the book value of the business, properties, assets, undertakings, rights or revenue is as reflected in the Issuer's and/or the Material Subsidiaries' latest quarterly unaudited financial statements;

(9) the Issuer and/or any of the Material Subsidiaries fails to satisfy any judgement passed against it by any court of competent jurisdiction which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect and no appeal against such judgement or an 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;

(10) any step is taken for the winding-up, administration, dissolution or liquidation of the Issuer or a petition for winding-up, administration, dissolution or liquidation is presented against the Issuer (provided that it is not frivolous, vexation or scandalous) and the Issuer has not taken any steps to set aside such petition within fourteen (14) business days from the date of service of such petition or a winding-up order has been made against the Issuer or a resolution for the winding-up, administration, dissolution or liquidation of the Issuer has been passed;

(11) any step is taken for the winding-up, administration, dissolution or liquidation of any of the Material Subsidiaries which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect or a petition for winding-up, administration, dissolution or liquidation is presented against any of the Material Subsidiaries (provided that it is not frivolous, vexation or scandalous) which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect and such Material Subsidiary has not taken any steps to set aside such petition within fourteen (14) business days from the date of service of such petition or a winding-up order has been made against any of the Material Subsidiaries which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect or a resolution for the winding-up, administration, dissolution or liquidation of any of the Material Subsidiaries which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect has been passed;

(12) the Issuer and/or any of the Material Subsidiaries convenes a meeting of its

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creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its 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 its indebtedness or any assignment for the benefit of its creditors or where a scheme of arrangement under Section 366 of the Companies Act 2016 has been instituted against the Issuer and/or any of the Material Subsidiaries;

(13) where there is an expiry, non-renewal, cessation, withdrawal, invalidation, termination, revocation, withholding or modification of any authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) granted to the Issuer which in the opinion of the Sukuk Trustee may impair or prejudice the Issuer's ability to comply with the terms and conditions of the Sukuk Wakalah Programme or the provisions of the Transaction Documents and has or would have a Material Adverse Effect;

(14) the Issuer and/or any of the Material Subsidiaries (a) is deemed unable to pay any of its debts within the meaning of Section 466(1) of the Companies Act 2016; (b) becomes unable to pay any of its debts as and when they fall due; or (c) suspends or threatens to suspend making payments with respect to all or any class of its debts which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect, unless in any of the above, the Issuer and/or any of the Material Subsidiaries is disputing in good faith and taking proper legal steps in respect of the matter;

(15) the Issuer and/or any of the Material Subsidiaries changes or threatens to change the nature or scope of its present business, or suspends or threatens to suspend, or ceases or threatens to cease the operation of its present business which it now conducts which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect;

(16) at any time it is illegal or unlawful for the Issuer to perform any of its obligations under the Transaction Documents or any of the provisions of the Transaction Documents in respect of the Sukuk Wakalah Programme is or becomes invalid, illegal, void, voidable or unenforceable or ceases to be binding;

(17) the Issuer repudiates any of the Transaction Documents or the Issuer does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;

(18) the whole or a substantial part of the business, properties, assets, undertakings, rights or revenue of the Issuer and/or any of the Material Subsidiaries is condemned, seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect. For the purpose of this paragraph, references to "**substantial**" shall mean such business, properties, assets, undertakings, rights or revenue of the Issuer and/or the Material Subsidiaries, the book value of which is more than five per cent (5%) of the Issuer's and/or the Material Subsidiaries' consolidated net assets. For the avoidance of doubt, the book value of the business, properties, assets, undertakings, rights or revenue is as reflected in the Issuer's and/or the Material Subsidiaries' latest quarterly unaudited financial statements;

(19) any creditor of the Issuer exercises a contractual right to take over the

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financial management of the Issuer which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect;

(20) any event or events has or have occurred or a situation exists which in the opinion of the Sukuk Trustee has or would have a Material Adverse Effect, and in the case of an event or a situation which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy such event or situation within fourteen (14) business days after the Issuer became aware of such event or situation or having been notified by the Sukuk Trustee of such event or situation, whichever is earlier; and

(21) any other events as advised by the Solicitors and to be mutually agreed by the JPAs/JLAs and the Issuer including but not limited to the requirements under the SC's Trust Deeds Guidelines.

Upon occurrence of a Dissolution Event, the Sukuk Trustee may at its discretion, or shall if directed to do so by the Sukukholders pursuant to an extraordinary resolution, declare that a Dissolution Event has occurred, whereupon the Transaction Documents shall become immediately enforceable in accordance with their respective terms.

Upon the declaration of a Dissolution Event in accordance with the terms set out in the Transaction Documents:

(1) the Sukuk Trustee (on behalf of the Sukukholders) shall invoke the Purchase Undertaking and enter into a sale agreement with the Issuer (as the Obligor) and the Issuer (as the Obligor) shall pay the Exercise Price to the Sukukholders, whereupon the Sukukholders' ownership and interest in the Shariah-compliant Business shall pass to the Issuer (as the Obligor), and the trust in respect thereof shall dissolve; and

(2) the Issuer (as the Purchaser), as part of its obligation to pay the Deferred Sale Price, shall pay all amounts then outstanding on the Deferred Sale Price to the Sukukholders (subject to *Ibra'*) as final settlement of the same,

and thereafter the trust in respect of the Wakalah Portfolio will be dissolved and the Sukuk Wakalah held by the Sukukholders will be cancelled.

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- (27) Governing laws : Laws of Malaysia.
- (28) Provisions on buy-back, if applicable : The Issuer, the subsidiaries or agents acting on behalf of the Issuer for the redemption or purchase may at any time purchase the Sukuk Wakalah at any price in the open market or by private treaty. The Sukuk Wakalah which are redeemed or purchased by the Issuer or by the subsidiaries or agents who is acting for the redemption or purchase shall be cancelled by the Issuer and cannot be resold or reissued.
- The Sukuk Wakalah purchased in the open market or by private treaty by the related corporation of the Issuer (other than the subsidiaries of the Issuer) or the interested person of the Issuer need not be cancelled but such Sukuk Wakalah shall not be counted for purposes of voting of any resolution of the Sukukholders nor form part of the quorum of any meeting of the Sukukholders subject to any exceptions contained in the Trust Deed.
- (29) Provisions on early redemption, if applicable : Subject to the consent of the Sukukholders by an extraordinary resolution in accordance with the terms of the Trust Deed, the Issuer may early redeem the Sukuk Wakalah (in whole or in part) prior to the Maturity Date by giving the requisite notice at a redemption price to be mutually agreed between the Issuer and the Sukukholders in the said extraordinary resolution.
- The Sukuk Wakalah so redeemed shall be cancelled and cannot be resold or reissued. The Sukukholders shall grant *Ibra'* on the Deferred Sale Price in respect of the Commodity Murabahah Investment based on a formula to be agreed between the Issuer and the Sukukholders (to be determined by an extraordinary resolution).
- (30) Voting : Voting by the Sukukholders under the Sukuk Wakalah Programme shall be carried out as follows:
- Prior to upsizing of the Sukuk Wakalah Programme
- Prior to upsizing of the Sukuk Wakalah Programme, all matters which require the Sukukholders' consent under the Sukuk Wakalah Programme shall be carried out on a collective basis.
- Post upsizing of the Sukuk Wakalah Programme
- Post upsizing of the Sukuk Wakalah Programme, all matters which require the Sukukholders' consent under the Sukuk Wakalah Programme shall be carried out on a "per series" (as defined herein) basis. Sukukholders holding a requisite amount under each series (to be determined under the Trust Deed) shall provide their consent for the relevant matters to be passed under the Sukuk Wakalah Programme and the consent from the Sukukholders of all outstanding series shall have been obtained for any such resolution to be carried.
- "**series**" is defined as Sukuk Wakalah with the same issue date.
- (31) Permitted investments, if : Funds held in the Designated Accounts may be utilised from time to time to invest in Permitted Investments provided that:

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applicable

(1) such funds utilised for Permitted Investments shall be remitted to the relevant Designated Accounts at least three (3) business days before the relevant Periodic Distribution Date and/or Maturity Date so that any payment obligations of the Issuer can be met in a timely manner;

(2) the funds utilised for Permitted Investments and all profits, income and receivables generated from Permitted Investments shall be remitted to and retained in the respective Designated Accounts;

(3) the Permitted Investments are to be held and not traded; and

(4) the Permitted Investments shall be denominated in Ringgit Malaysia.

Permitted Investments shall comprise investments in Shariah-compliant products approved by the SC's SAC, BNM's SAC or other recognised Shariah authorities. **"Permitted Investments"** shall mean:

(a) Islamic deposits or accounts and/or Islamic money market instruments with licensed banks (as defined in the Financial Services Act 2013) and/or licensed Islamic banks (as defined in the Islamic Financial Services Act 2013) with a rating of at least AAA/P1 by RAM Rating Services Berhad ("**RAM**") or AAA/MARC-1 by Malaysian Rating Corporation Berhad ("**MARC**");

(b) Islamic banker acceptances, Islamic bills, and Islamic money market instruments issued by licensed Islamic banks with a rating of at least AAA/P1 by RAM or AAA/MARC-1 by MARC;

(c) Sukuk, Islamic treasury bills, Islamic short term or medium term notes and any other financial instruments issued or guaranteed by the Government of Malaysia or BNM; or

(d) Sukuk issued by corporations, licensed banks or licensed Islamic banks or guaranteed by licensed banks or licensed Islamic banks with a rating at least AAA (or its equivalent) by RAM or MARC.

(32) Ta'widh (for ringgit-denominated sukuk) :

In the event:

(1) the Wakeel breaches its fiduciary duty as the Investment Manager due to its failure to distribute the realised Income to the Sukukholders on each Periodic Distribution Date, the Maturity Date or the Dissolution Declaration Date, as the case may be; or

(2) the Issuer, the Purchaser or the Obligor delays the payment of the Deferred Sale Price and/or any amount due and payable to the Sukukholders under the sale agreement pursuant to the Purchase Undertaking or the Sale Undertaking (as the case may be),

Ta'widh (compensation) shall be payable to the Sukukholders on such overdue amounts at the rate and manner prescribed by the SC's SAC from time to time.

(33) Ibra' (for ringgit-denominated sukuk) :

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

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which was revised on 11 October 2018 (as amended and/or substituted from time to time) ("**LOLA Guidelines**").

In relation to the Commodity Murabahah Investment, an *Ibra'*, where applicable, shall be granted by the Sukukholders. The Sukukholders in subscribing to or purchasing the Sukuk Wakalah agree to grant an *Ibra'* on the Deferred Sale Price upon the occurrence of any of the following circumstances:

- (1) if the Sukuk Wakalah are redeemed prior to the Maturity Date; and
- (2) if the Sukuk Wakalah are redeemed upon declaration of a Dissolution Event.

Ibra' for redemption prior to the Maturity Date shall be the difference between such portion of the then outstanding Deferred Sale Price of the relevant Sukuk Wakalah being redeemed and the early redemption amount to be agreed between the Issuer and the Sukukholders (to be determined by an extraordinary resolution).

Ibra' for redemption upon declaration of a Dissolution Event shall be calculated as follows:

- (a) in the case of Sukuk Wakalah with periodic distributions and issued at a discount, the unearned periodic distributions;
- (b) in the case of Sukuk Wakalah without periodic distributions and issued at a discount, the unearned one-off distribution;
- (c) in the case of Sukuk Wakalah with periodic distributions and issued at par, the unearned periodic distributions; and
- (d) in the case of Sukuk Wakalah with periodic distributions and issued at a premium, the unearned periodic distributions.

Ibra' in relation to (a), (b), (c) and (d) above shall be calculated from the Dissolution Declaration Date up to the respective Maturity Date of the Sukuk Wakalah.

For the avoidance of doubt, *Ibra'* will be applicable to the Commodity Murabahah Investment portion of the Wakalah Portfolio, being the Deferred Sale Price only. Further, any double counting shall be disregarded.

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

(35) Waivers from : Not applicable.
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

DRB-HICOM Berhad (Issuer)

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- (1) **Identified assets** : Shariah-compliant general business of the Issuer ("**Shariah-compliant Business**") and Shariah-compliant commodities which may include but are not limited to crude palm oil or such other acceptable commodities (excluding *ribawi* items in the category of medium of exchange such as currency, gold and silver) which are available through the commodity trading platform acceptable to the Joint Shariah Advisers which will be identified at or around the time of issuance of the Sukuk Wakalah ("**Commodities**").
- (2) **Purchase and selling price/rental (where applicable)** : **Commodity Purchase Price**
- The Commodity Purchase Price is a price equivalent to such remaining Sukuk Proceeds of the relevant Sukuk Wakalah after investment into the Shariah-compliant Business. The Commodity Purchase Price shall be determined prior to the issuance of the Sukuk Wakalah and shall be in accordance with the asset pricing requirements stipulated under the LOLA Guidelines.
- Deferred Sale Price**
- The Deferred Sale Price is a price equivalent to the aggregate of the Commodity Purchase Price and the profit margin, payable on a deferred payment basis. For the avoidance of doubt, the Deferred Sale Price shall be equal to the aggregate of the Expected Periodic Distribution Amount and the nominal value of the relevant Sukuk Wakalah. The Deferred Sale Price shall be determined prior to the issuance of the Sukuk Wakalah.
- (3) **Profit/ coupon/ rental payment frequency** : Semi-annual period or such other period of frequency to be agreed between the Issuer, the JLMs and/or the relevant qualified investor(s) prior to each issuance of the Sukuk Wakalah ("**Periodic Distribution Period**").
- "**Periodic Distribution Date**" refers to the last day of each Periodic Distribution Period.
- This section is not applicable for the Sukuk Wakalah without periodic distributions.
- (4) **Profit/ coupon/ rental payment basis** : Actual / 365 days.
- This section is not applicable for the Sukuk Wakalah without periodic distributions.
- (5) **Profit/ coupon/ rental payment rate** : The Sukuk Wakalah may be issued with or without periodic distributions.
- For the Sukuk Wakalah with periodic distributions, the profit rate for such Sukuk Wakalah ("**Periodic Distribution Rate**") shall be on a fixed rate basis and shall be determined prior to the issuance of such Sukuk Wakalah.
- This section is not applicable for the Sukuk Wakalah without periodic distributions.

- (6) **Tenure of the Sukuk Wakalah Programme** : The tenure of the Sukuk Wakalah Programme shall be up to thirty (30) years from the date of first issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme.
- (7) **Tenure of the Sukuk Wakalah** : The tenure of each tranche of the Sukuk Wakalah shall be at least one (1) year and up to thirty (30) years from the date of issuance, as the Issuer may select, provided always that the maturity of each tranche of the Sukuk Wakalah shall not exceed the tenure of the Sukuk Wakalah Programme.
- (8) **Combined limit** : The Sukuk Wakalah Programme, together with the Facility, shall have a combined issuance/ drawdown limit of up to Ringgit Malaysia Three Billion Five Hundred Million (RM3,500,000,000.00) in nominal value.
- For avoidance of doubt and subject to the other terms and conditions of the Sukuk Wakalah Programme and the Facility, the aggregate outstanding nominal value of the Sukuk Wakalah and the aggregate outstanding principal amount of the Facility shall not exceed Ringgit Malaysia Three Billion Five Hundred Million (RM3,500,000,000.00) at any point in time.
- (9) **Details on utilisation of proceeds by Issuer** : The Sukuk Proceeds shall be utilised by the Issuer to:
- (1) refinance the existing financing/ borrowings of the Issuer Group;
 - (2) finance the Issuer's capital expenditure and working capital requirements and/or investments as well as for general corporate purposes which shall be Shariah-compliant; and
 - (3) pay all fees and expenses in connection with the Sukuk Wakalah Programme.
- For the avoidance of doubt, the Sukuk Proceeds shall be utilised for Shariah-compliant purposes only.
- (10) **Upsizing of a sukuk programme** : The Issuer has the option to upsize the Sukuk Wakalah Programme (without the consent of the Sukukholders) provided that the following conditions have been fulfilled:
- (1) the compliance with the relevant requirements under the LOLA Guidelines in relation to the upsizing of the Sukuk Wakalah Programme;
 - (2) the relevant regulatory approvals (if applicable) and the necessary corporate authorisations of the Issuer being obtained; and
 - (3) the execution of the relevant documentation to evidence the upsizing of the Sukuk Wakalah Programme.
- (11) **Listing status and types of listing, where applicable** : The Sukuk Wakalah are not and will not be listed on Bursa Malaysia Securities Berhad or any other stock exchanges.

- (12) **Issue price** : The Sukuk Wakalah shall be issued at par, discount or premium to nominal value. The issue price shall be calculated in accordance with the PayNet Rules (as defined herein) and the PayNet Procedures (as defined herein).
- (13) **Status** : The Sukuk Wakalah, pursuant to the relevant Transaction Documents, constitute direct, unconditional, secured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* without discrimination, preference or priority amongst themselves and *pari passu* with all other present and future unconditional, unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law.
- (14) **Transaction Documents** : Such documentation which shall include, amongst others, the following:
- (1) the programme agreement;
 - (2) the Trust Deed;
 - (3) the Islamic transaction documents;
 - (4) the Security Documents;
 - (5) the Priority and Security Sharing Agreement;
 - (6) the securities lodgement form; and
 - (7) any other agreements entered into or to be entered into by the Issuer for the purposes of or in connection with the Sukuk Wakalah Programme.
- (15) **Taxation** : All payments by the Issuer in respect of the Sukuk Wakalah and the Transaction Documents shall be made without withholding or deductions for or on account of any present or future taxes, duties or charges of whatsoever nature imposed or levied by or on behalf of Malaysia or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts that the payee would have otherwise received if no such withholding or deductions had been required.
- (16) **Form and Denomination** : Issuance of the Sukuk Wakalah shall be in accordance with:
- (1) the Participation and Operation Rules of Payments and Securities Services issued by Payments Network Malaysia Sdn Bhd ("**PayNet**") or its successor in title, assigns or any successor in such capacity (as amended and/or substituted from time to time) ("**PayNet Rules**");
 - (2) the Operational Procedures for Securities Services and Operational Procedures for Malaysian Ringgit Settlement in the Real Time Electronic Transfer of Funds and Securities System issued by PayNet or its successor in title, assigns or any successor in such capacity (as amended and/or substituted from time to time) ("**PayNet Procedures**"); and

- (3) any other procedures/guidelines/rules issued by the relevant authorities from time to time (as amended and/or substituted from time to time).

Form

The Sukuk Wakalah shall be represented by a global certificate to be deposited with BNM, and is exchangeable for definitive bearer certificates only in certain limited circumstances.

Denomination

The denomination of the Sukuk Wakalah shall be Ringgit Malaysia One Million (RM1,000,000.00) and in multiples of Ringgit Malaysia One Million (RM1,000,000.00) thereof or such other denomination as may be mutually agreed by the Issuer and the JPAs/JLAs/JLMs as may be allowed under the PayNet Rules and the PayNet Procedures.

(17) Trustees' Reimbursement Account

- : The Issuer shall open or procure the opening of and maintain a Shariah-compliant account designated as "**Trustees' Reimbursement Account for Sukukholders' Actions**" with a sum of Ringgit Malaysia Thirty Thousand (RM30,000.00) deposited therein by the Issuer (which shall be maintained at all times by the Issuer throughout the tenure of the Sukuk Wakalah Programme). In the event that the amount outstanding to the credit of the Trustees' Reimbursement Account falls below Ringgit Malaysia Thirty Thousand (RM30,000.00) at any time during the tenure of the Sukuk Wakalah Programme, the Issuer shall immediately remit such amount as to maintain the balance in the Trustees' Reimbursement Account at Ringgit Malaysia Thirty Thousand (RM30,000.00). The Trustees' Reimbursement Account shall be operated solely by the Sukuk Trustee and the monies shall only be used strictly by the Sukuk Trustee for the purpose of carrying out its duties in relation to the occurrence of a Dissolution Event or the enforcement of any rights and remedies of the Sukuk Trustee under the Transaction Documents.

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

(18) Jurisdiction

- : The Issuer shall submit to the exclusive jurisdiction of the courts of Malaysia.

(19) Other Conditions

- : The Sukuk Wakalah shall at all times be governed by the guidelines issued and to be issued from time to time by the SC and BNM.