

2.01 BACKGROUND INFORMATION

(a) Issuer

- (i) **Name** : F&N Capital Sdn Bhd ("F&N Capital"), which is a wholly owned subsidiary of Fraser & Neave Holdings Bhd ("F&N Holdings").
- (ii) **Address** : Registered Address:
 Level 8, F&N Point
 No. 3, Jalan Metro Pudu 1
 Fraser Business Park, Off Jalan Yew
 55100 Kuala Lumpur
- Business Address:
 Level 8, F&N Point
 No. 3, Jalan Metro Pudu 1
 Fraser Business Park, Off Jalan Yew
 55100 Kuala Lumpur
- (iii) **Business Registration No.** : 818080-V
- (iv) **Date and Place of Incorporation** : 16 May 2008, Malaysia.
- (v) **Date of Listing (where applicable)** : Not applicable.
- (vi) **Status on residence** : Non-resident controlled company.
- (vii) **Principal Activities** : The principal activities of F&N Capital are provision of financial and treasury services to F&N Holdings and its subsidiaries ("F&N Holdings Group").
- (viii) **Board of Directors** : **Board of Directors as at 15 June 2013**
 (i) Dato' Ng Jui Sia
 (ii) Mr Soon Wing Chong
- (ix) **Structure of shareholdings and name of shareholder** : **As at 15 June 2013**
- | Shareholder | Equity Interest |
|--------------|-----------------|
| F&N Holdings | 100% |

(x) Authorised, issued and paid up capital : Authorised capital as at 15 June 2013
RM1,000,000

Issued and paid-up capital as at 15 June 2013
RM2.00

(xi) Disclosure of the following: :

- **If the issuer or its board members have been convicted or charged with any offence under the securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, for the past five years prior to the date of application; and** **None**
- **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 date of application.** **None**

Where the issuer is a special purpose vehicle and is a conduit to another entity which receives proceeds from the proposed issue or offer, the information as set out in sub-paragraph 2.01(a) must also be provided on the said entity. : Not applicable

2.02 PRINCIPAL TERMS AND CONDITIONS

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

- (i) Principal Adviser(s)/ Lead Arranger(s)** : Standard Chartered Bank Malaysia Berhad ("SCB").
- (ii) Lead arranger** : SCB.
- (iii) Co-arranger** : Not applicable.
- (iv) Solicitor** : Messrs Adnan Sundra & Low.
- (v) Financial adviser** : Not applicable.
- (vi) Technical adviser** : Not applicable.
- (vii) Bond trustee** : TMF Trustees Malaysia Berhad
- (viii) Guarantor** : F&N Holdings ("Corporate Guarantor").
- (ix) Valuer** : Not applicable.
- (x) Facility agent** : SCB.
- (xi) Primary subscriber (under a bought-deal arrangement) and amount subscribed** : To be determined prior to issuance if issued on a bought deal basis.
- (xii) Underwriter and amount underwritten** : Not applicable.
- (xiii) Central depository** : Bank Negara Malaysia ("BNM").
- (xiv) Paying agent** : BNM.
- (xv) Reporting accountant** : Messrs Ernst & Young.
- (xvi) Calculation agent** : Not applicable.
- (xvii) Others (please specify)** : Tender Panel Members ("TPM")/Investors:

To be identified by the Lead Arranger and shall comprise persons within any one of the categories of persons specified in Section 4(6) of the Companies Act, 1965.

Joint Lead Managers:

SCB and/or such other financial institution as may be appointed prior to each issuance under the CP Programme and/or MTN Programme (as defined below).

- (b) Facility description** : A Commercial Paper ("CP") Programme ("CP Programme") and a Medium Term Note ("MTN") Programme ("MTN Programme") of up to RM750 million in nominal value each.

The CP and MTN shall be collectively referred to as "Notes".

The CP Programme and the MTN Programme shall be collectively referred to as the "Programmes".

The aggregate outstanding nominal value of the Notes issued under the CP Programme and the MTN Programme at any point in time shall not exceed RM750 million respectively ("Programme Amount").

- (c) Issue/debt programme size** : Up to RM750 million in nominal value of each of the CP Programme and the MTN Programme.

- (d) Tenure of issue/debt programme** : CP Programme
 The tenure of the CP Programme is seven (7) years from the date of the first issue under the CP Programme ("CP Programme Tenure"), provided that the first issue of CPs under the CP Programme shall not be later than two (2) years from the date of the Securities Commission ("SC") authorisation.

The tenure of each issuance of the CP may be one (1), three (3), six (6), nine (9) or twelve (12) months or such other periods to be agreed between the Facility Agent and the Issuer, but not at any one time exceeding a year, and provided that the CPs mature prior to the expiry of the CP Programme.

MTN Programme

The tenure of the MTN Programme is fifteen (15) years from the date of the first issue under the MTN Programme ("MTN Programme Tenure"), provided that the first issue of MTNs under the MTN Programme shall not be later than two (2) years from the date of the SC's authorisation.

The tenure of each issuance of the MTN may be more than one (1) year and up to fifteen (15) years as the Issuer may select, provided that the MTNs mature prior to the expiry of the MTN Programme.

- (e) **Availability period of debt programme** : Upon completion of documentation and, unless waived by the Lead Arranger, compliance of all conditions precedent and other applicable conditions to the satisfaction of the Lead Arranger.

The first issuance of the Notes shall not be later than two (2) years from the date of the SC's authorisation.

- (f) **Interest/coupon rate** : CP
 There will be no coupon payable on the face value of the CP as the CP will be issued at a discount.

MTN

The coupon shall be determined prior to each issuance of the MTN.

- (g) **Interest/coupon payment frequency** : CP
 Not applicable.

MTN

Semi-annually in arrears with the last coupon payment to be made no later than the maturity date of the relevant MTN provided always that no coupon payment shall extend beyond the last day of the MTN Programme Tenure.

- (h) **Interest/coupon payment basis** : The coupon shall be calculated on an actual/365 days basis.
- (i) **Security/collateral, where applicable** : Unsecured. There shall be a full, unconditional and irrevocable corporate guarantee from F&N Holdings in favour of the Trustee for the benefit of the Noteholders.
- (j) **Details on utilisation of proceeds by issuer** : The proceeds raised from the Programmes shall be on-lent to companies within the F&N Holdings Group for general corporate purposes of the F&N Holdings Group (other than companies falling within the property division of the F&N Holdings Group) including the refinancing of any existing private debt securities issues and/or loans of F&N Holdings Groups (other than companies falling within the property division of the F&N Holdings Group).
- (k) **Sinking fund and designated accounts, where applicable** : None.
- (l) **Rating** :
 - i. **Credit rating assigned** : AA₁(s) for the MTN Programme/ P1(s) for the CP Programme
 - ii. **Name of credit rating agency** : RAM Rating Services Berhad (Co. No. 763588-T) ("RAM Ratings").
- (m) **Mode of issue** : CP
 Via competitive tender under the Fully Automated System for Issuing/Tendering ("FAST") managed by BNM or private placement without prospectus at the option of the Issuer under FAST.

MTN

Via book-build, private placement or bought deal basis without prospectus under FAST.

**(n) Selling restriction,
including tradability**

: The Notes are tradable, subject to the following restrictions:

Selling Restrictions at Issuance

The Notes may only be offered, sold, transferred or otherwise disposed, directly or indirectly, to a person to whom an offer or invitation to subscribe for the Notes may be made and to whom the Notes are issued would fall within the provisions of Schedule 6 or Section 229(1)(b) and Schedule 7 or Section 230(1)(b) read together with Schedule 9 or Section 257(3) of the Capital Markets and Services Act 2007 ("CMSA") and to whom any issue, offer or invitation to subscribe for or purchase the Notes does not constitute an offer to the public within the categories specified in Section 4(6) of the Companies Act, 1965 of Malaysia.

Selling Restrictions Thereafter

The Notes may only be offered, sold, transferred or otherwise disposed, directly or indirectly, to a person to whom an offer or invitation to purchase the Notes would fall within the provisions of Schedule 6 or Section 229(1)(b) read together with Schedule 9 or Section 257(3) of the CMSA and to whom any issue, offer or invitation to subscribe for or purchase the Notes does not constitute an offer to the public within the categories specified in Section 4(6) of the Companies Act, 1965 of Malaysia.

Tradability

The Notes will be tradable on the secondary market on a willing-buyer willing-seller basis.

- (o) **Listing status and types of listing, where applicable** : The Notes will not be listed on Bursa Malaysia or any other stock exchange.
- (p) **Other regulatory approvals required in relation to the issue, offer or invitation to subscribe or purchase and whether or not obtained.** : None.
- (q) **Conditions precedent** : **The issuance of Notes under the Programmes shall be subject to amongst others the following conditions:-**
Conditions Precedent to setting up the Programmes and the first issuance of Notes:

Main Documentation

Satisfactory completion and execution of the Transaction Documents (as defined below in (v)(xii) Documentation) and any other relevant legal documentation and duly endorsed as exempted under the Stamp Duty Exemption (No 23) Order 2000.

Issuer & F&N Holdings

Delivery of the following:

- (a) Certified true copies of the Certificate of Incorporation, the Memorandum and Articles of Association, of the Issuer and F&N Holdings;
- (b) Certified true copies of the Forms 24, 44 and 49, of the Issuer and F&N Holdings;
- (c) A certified true copy of board resolution of the Issuer and F&N Holdings authorising, among others, the execution of the Transaction Documents and the issuance of the Notes by the Issuer under the Programmes;

- (d) A list of the Issuer's and F&N Holdings' authorised signatories and their respective specimen signatures;
- (e) A report of the relevant company search of the Issuer and F&N Holdings; and
- (f) A report of the relevant winding up search or the relevant statutory declaration of the Issuer and F&N Holdings.

General

- (a) Evidence of the approval of the SC in respect of the Programmes shall have been obtained and the Issuer's compliance with all conditions of such authorisation, where applicable;
- (b) Documentary evidence satisfactory to the Facility Agent that the Notes have been accorded ratings of P1(s) for the CP Programme and AA1(s) for the MTN Programme by RAM Ratings;
- (c) Representations and warranties of the Issuer and F&N Holdings remain true and correct in all material respects and no Event of Default or potential Event of Default has occurred and is continuing;
- (d) Satisfactory legal opinion from the Solicitor as to the legality, validity and enforceability of all legal documentation and that all conditions precedent have been duly fulfilled or waived;
- (e) Confirmation from the Issuer and F&N Holdings that apart from the disclosed existing indebtedness there are no other bank borrowings;
- (f) Payment of all fees and expenses, if any pertaining to the Programmes; and

- (g) Any other conditions as may be advised by the Solicitor.

Conditions Precedent for each issuance(s) of Notes

- (a) Confirmation from the Issuer and F&N Holdings that all representations and warranties remain true and correct; and
- (b) No Event of Default has occurred or is continuing.
- (c) Any other conditions as may be advised by the Solicitor

(r) Representations and warranties

: The representations and warranties typical and customary for a CP Programme and a MTN Programme of this nature at the recommendation of the Lead Arranger or the Solicitor, which shall include but not be limited to the following:-

- (a) F&N Holdings and the Issuer are companies duly established and validly existing under the laws of Malaysia and has the power and authority to enter into the business in which it is engaged;
- (b) F&N Holdings and the Issuer have the power to enter into, exercise its respective rights under and perform its respective obligations under the respective Transaction Documents;
- (c) All necessary actions, authorisations and consents required under the respective Transaction Documents by F&N Holdings and the Issuer to which it is a party has been taken, fulfilled and obtained and remain in full force and effect;

- (d) F&N Holdings' and the Issuer's entry into, exercise of its rights under and performance of its obligations under the respective Transaction Documents to which it is a party does not and will not violate its Memorandum and Articles of Association or any existing law or any agreements to which it is a party which will materially and adversely affect the ability of the Issuer to perform any of its obligations under the Transaction Documents to which it is a party;
- (e) The Transaction Documents are in full force and effect and constitute the legal, valid, binding and enforceable obligations of F&N Holdings and the Issuer;
- (f) The Issuer's and F&N Holdings' latest audited accounts have been prepared in accordance with accounting principles and standards generally accepted in Malaysia and fairly represent the financial position of the Issuer and F&N Holdings as at such date;
- (g) No litigation, arbitration or administrative proceeding or claim which might by itself or together with any other such proceedings or claims either have a Material Adverse Effect on the Issuer and/or F&N Holdings, or is presently in progress or pending or, to the best of the knowledge, information and belief of the Issuer and/or F&N Holdings, threatened against the Issuer and/or F&N Holdings or any of its or their assets;
- (h) The Issuer and F&N Holdings have filed all tax returns and paid its taxes except those being contested in good faith;

- (i) The Issuer and F&N Holdings have disclosed in writing prior to the date of the Programme Agreement to the Lead Arranger all facts relating to which the Issuer and F&N Holdings knows or should reasonably know and which are material for disclosure to the Trustee, the Lead Arranger in the context of the Transaction Documents; and
 - (j) Any other representations and warranties which may be advised by the Solicitor and agreed by F&N Holdings and the Issuer.
- (s) **Events of default and enforcement event, where applicable** : The events of default typical and customary for a CP Programme and a MTN Programme of this nature including but not limited to:-
 - (a) Failure to redeem any Notes or service the periodic coupon payments of the MTN or to pay any amount due from it under any of the Transaction Documents;
 - (b) Winding up order, dissolution, reorganisation, arrangement or liquidation proceedings are instituted against F&N Holdings and/or the Issuer (save and except any of such proceedings, where appropriate, are instituted for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction of F&N Holdings and/or the Issuer which will not materially and adversely affect the ability of F&N Holdings and/or the Issuer to perform its obligations under the Transaction Documents to which it is a party) and are not withdrawn or discharged within 45 days thereof;

- (c) F&N Holdings and/or the Issuer becomes or is declared insolvent or consents to the appointment of a trustee (other than the appointment of the Trustee for the purposes of the Programmes), custodian or receiver for it or for a substantial part of its property, or any such trustee, custodian or receiver is appointed over a substantial part of its property and such appointment is not discharged within thirty (30) days of its taking effect;
- (d) The making of a false representation or warranty which is likely to have a Material Adverse Effect on the ability of F&N Holdings and/or the Issuer to perform its obligations under the Transaction Documents to which it is a party;
- (e) Breach or non-compliance by F&N Holdings and/or the Issuer of the terms under the Transaction Documents (other than an obligation of the type referred to in paragraph (a) above) in any material respect, and if capable of remedy, has not been remedied within thirty (30) days upon F&N Holdings and/or the Issuer being aware of the same or after receipt by F&N Holdings and/or the Issuer of a written notice from the Trustee to do so;
- (f) Any indebtedness for borrowed moneys of F&N Holdings and/or the Issuer is not paid when due or is declared to be or becomes due and payable prior to its stated maturity or any guarantee or similar obligation of F&N Holdings and/or the Issuer is not discharged at maturity or when called or where the security created for such indebtedness for borrowed money becomes immediately enforceable;

- (g) A scheme of arrangement under section 176 of the Companies Act 1965 or any other analogous provision has been instituted against the Issuer or the F&N Holdings;
- (h) Where there is a revocation, withholding or modification of any consent, authorisation, license or approval that materially and adversely impairs or prejudices F&N Holdings' and/or the Issuer ability to comply with the terms and conditions of the Transaction Documents to which it is a party; and
- (i) Any other default clauses customary to the CP Programme and the MTN Programme proposed herein as may be advised by the Solicitor and agreed by F&N Holdings and the Issuer.

Upon the declaration of an Event of Default, the Trustee may or shall (if directed to do so by a special resolution of the Noteholders and subject to it being indemnified to its satisfaction) declare that the Notes together with all other sums payable under the Notes shall become immediately due and payable. Thereafter, the Trustee may take proceedings against the Issuer and/or Corporate Guarantor as it may think fit to enforce immediate payment of the Notes and/or the Corporate Guarantee.

(t) Covenants : Positive Covenants

The Issuer and F&N Holdings shall provide positive covenants which shall include but are not limited to the following:-

- (a) Comply with all provisions of the Transaction Documents to which it is a party and the terms and conditions of the Notes;

- (b) Preserve and keep in force and effect all licenses, consents, rights and insurance (where applicable) necessary for the conduct of its business;
- (c) F&N Holdings to conduct transactions with its directors or substantial directors or connected persons thereto on an arm's length basis but in any event the aggregate consideration for such transactions shall not exceed the threshold set out by Bursa Malaysia Securities Berhad for any one year. If the aggregate consideration for such transactions exceeds the fixed threshold, F&N Holdings shall comply with the requirements as set out thereto;
- (d) Maintain an accounting system and keep adequate records in compliance with applicable statutory requirements and in accordance with generally accepted accounting principles in Malaysia and/or country of incorporation or place of business, as the case may be, and to provide to the Trustee and any person appointed by the Trustee access to such books and accounts;
- (e) Exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices;
- (f) To maintain a paying agent in Malaysia;
- (g) To procure that the paying agent shall notify the Trustee in the event that the paying agent does not receive payment from the borrower on the due dates as required under the trust deed and the terms and conditions of the Notes; and

- (h) Cause and ensure that all and any advances by its directors or the shareholders to it or any inter-company advances permitted are to be subordinated to its liabilities under the Notes and that no payment of interest, no repayment and/or prepayment of such advances is to be made.

Negative Covenants

To include but not be limited to the following, whereby the Issuer shall not:-

- (a) Amend its Memorandum and Articles of Association in a manner inconsistent with the Transaction Documents, save for amendments required by law or regulation;
- (b) Enter into any amalgamation, consolidation, merger, reconstruction, dissolution or winding up of itself which may materially affect its ability to perform its obligation under the Transaction Documents;
- (c) Obtain or permit to exist any loans and advances from its shareholders, subsidiaries or associated companies save and except in the ordinary course of business and on commercial terms and on the basis of arm's length transaction and will not have a Material Adverse Effect (as defined below) on the Issuer;

"Material Adverse Effect" means any material adverse effect on the business or condition (financial or otherwise), the prospects or the operations of the Issuer/Corporate Guarantor or the F&N Holdings' Group taken as a whole or the ability of the Issuer/Corporate Guarantor to perform any of its obligations under any of the Transaction Documents.

- (d) Carry on any other activities or undertake any investments other than the business in which it is presently engaged;
- (e) Utilise the proceeds from the Programmes for purposes other than as stated herein;
- (f) Grant guarantees, indemnities or similar assurances against financial loss in respect of any indebtedness of any party;
- (g) Assign its rights or transfer its obligations under the Transaction Documents;
- (h) Reduce its authorised and issued paid-up capital; and
- (i) Enter into a transaction, whether directly or indirectly with interested persons (for the purposes of this clause, the term “interested person” shall have the meaning ascribed to it in the Listing Requirements of Bursa Malaysia Securities Berhad) 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; and
 - (b) with respect to transactions involving an aggregate payment or value equal to or greater than RM390.0 million, or an agreed percentage ratio as provided in the listing requirement of the stock exchange, the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms;

AND PROVIDED that the Issuer certifies to the Trustee that the transaction complies with paragraph (a), that the Issuer has received the certification referred to in paragraph (b) above, and that the transaction has been approved by the majority of the board of directors or shareholders in a general meeting as the case may require.

The Corporate Guarantor

To include but not be limited to the following, whereby the Corporate Guarantor shall not:-

- (a) Amend its Memorandum and Articles of Association in a manner inconsistent with the Transaction Documents, unless required in compliance with regulatory requirements;
- (b) Cancel, surrender, abandon or otherwise amend related licences, grants or agreements in any way which has a Material Adverse Effect on its ability to perform its obligations under the Transaction Documents;
- (c) Enter into any amalgamation, consolidation, merger, reconstruction, dissolution or winding up of itself which may materially affect its ability to perform its obligation under the Transaction Documents; and
- (d) Declare or pay any dividends or provide any shareholders advances if any of the following has occurred:
 - (i) any payment is due and owing under the Notes;
 - (ii) an Event of Default;
 - (iii) a breach of any provisions of the Transaction Documents; or

- (iv) the declaration or payment of any dividends or the provision of any shareholders advances will result in the occurrence of (i) (ii) or (iii) above.

Financial Covenants

F&N Holdings shall maintain the following financial ratios during the Programme Tenures and so long as the Notes remain outstanding.

- (a) Consolidated Interest Service Cover Ratio ("ISCR") of not less than 5.0 times; and
- (b) Total Debt to Equity Ratio ("D:E Ratio") of not more than 1.2 times.

Definitions:

Consolidated ISCR is defined as Consolidated Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA") plus cash and bank balances at the beginning of the financial year (which shall exclude those amounts pledged as security for bank borrowings) over total interest/profit payments in respect of Total Bank Borrowings for the respective financial year.

Total Bank Borrowings is defined as the consolidated borrowed monies of F&N Holdings Group.

Total Debt is defined as the consolidated aggregate of all secured and unsecured indebtedness for borrowed monies of F&N Holdings Group including obligations under any form of financial guarantees provided by F&N Holdings but excluding intercompany loans which are subordinated to the Programmes, corporate guarantees issued within F&N Holdings Group to each other for any indebtedness, non-recourse project financing package which are procured to

fund the F&N Holdings Group's projects, non-funded trade finance facilities and hire purchase/finance lease obligations.

Equity is defined as the consolidated aggregate of paid-up capital (equity and preference), retained earnings and reserves less intangible assets, non-monetary revaluation reserves, minority interest and goodwill.

The above financial ratios shall be tested on a yearly basis based on F&N Holdings' latest audited consolidated financial statements, as determined in accordance with the prevailing accounting principles and standards.

F&N Holdings shall be required to provide a written confirmation of the compliance of the financial covenants upon delivery of the year end audited financial statements within 180 days from its fiscal year end.

Information Covenants

To include but not be limited to the following:

- (a) the Issuer shall provide to the Trustee at least on an annual basis, a certificate confirming that it has complied with all its obligations under the Transaction Documents and the terms and conditions of the Notes and that there does not exist or had not existed, from the date the Notes were issued or date of the previous certificate as the case may be, any Event of Default, and if such is not the case, to specify the same;
- (b) In relation to the Issuer only, notify the Trustee of:-

- (i) Any circumstances that has occurred that would materially prejudice the Issuer and/or the Corporate Guarantor;
- (ii) Any claims against the Issuer and/or the Corporate Guarantor which could have Material Adverse Effect upon the ability of the Issuer/Corporate Guarantor to perform its obligations under the Transaction Documents to which it is a party and any action that the Issuer/Corporate Guarantor is taking in relation to such claims;
- (iii) Any substantial change in the nature of the business of the Issuer or the Corporate Guarantor;
- (iv) A change in the name of the Corporate Guarantor;
- (v) Any cessation of liability of the Corporate Guarantor for the payment of the whole or part of the moneys for which they were liable under the corporate guarantee;
- (vi) Any change in the utilisation of proceeds from the Notes where the information memorandum or any agreement entered into in connection with the issue, offer or invitation sets out a specific purpose for which proceeds are to be utilised;
- (vii) Any changes in the composition of the board of directors of the Issuer and/or the Corporate Guarantor;

- (viii) Any change in the tax position or taxing jurisdiction of the Issuer insofar it affects the payment obligations of the Issuer under the Trust Deed;
 - (ix) Any take-overs, mergers, acquisitions and divestments undertaken by the Issuer and/or the Corporate Guarantor which may affect its financial or liquidity position;
 - (x) Any Event of Default;
 - (xi) Any right or remedy under the terms of the Trust Deed becomes immediately enforceable; and
 - (xii) Any other matter that may materially prejudice the interests of Note holders.
- (c) The Issuer and F&N Holdings shall provide the Trustee and, if required, the Rating Agency the following:-
- (i) Half-yearly management accounts within 90 days from the end of each half-year end;
 - (ii) Year-end independently audited financial statements within 180 days from its fiscal year end, and such other information (financial or otherwise) as the Trustee and Rating Agency may reasonably require from time to time; and
 - (iii) Within 30 days after receipt of such request by the Trustee and/or the Rating Agency, any other material information relating to its business, affairs and financial condition as may from time to time reasonably

requested by the Trustee and/or the Rating Agency in order to discharge its duties and obligations as Trustee and/or the Rating Agency from time to time, to the extent permitted by law.

- (u) **Provisions on buy-back and early redemption** : The Issuer or any of its subsidiaries, agents and/or interested persons may at any time purchase the Notes at any price in the open market or by private treaty, but these repurchased Notes shall, if purchased by the Issuer or by its subsidiaries or by agent(s) of the Issuer who is acting for the purchase, be cancelled and cannot be reissued or, if purchased by the Issuer's interested persons, the Notes need not be cancelled but they will not entitle such interested persons to vote at any meeting of the Noteholders.

Early redemption of the Notes is not applicable for the Programmes.

- (v) **Other principal terms and conditions for the proposal** :

- i. **Negative Pledge** : So long as either of the Programmes continues to subsist, the Issuer and F&N Holdings (i) will not, and (ii) will procure that its subsidiaries (for the purposes of this clause, "subsidiaries" shall exclude joint venture companies and companies falling within the property division of the F&N Holdings Group) will not, without the prior written approval of the Trustee, create or permit to subsist any mortgage, charge, pledge or other security interest on or over the whole or any part of its present or future property, undertaking, assets or revenue of any kind to secure any borrowings or indebtedness unless, at the same time or prior thereto, the Issuer's and F&N Holding's obligations under the Programmes shall be secured equally and rateably with such borrowings/ financing, save

and except for:-

- (a) Existing security which has been disclosed to the Trustee provided there is no increase in the amount already secured;
- (b) Any security arising by operation of law or created in the ordinary course of business, including hire purchase transactions and leasing arrangements relating to vehicle, machinery, plant and equipment financing and pledges created in relation to documentary credits opened in the ordinary course of business; and
- (c) Any security created after the date of the Programme Agreement, relating to financing for the acquisition and/or development of any asset and/or undertaking of any project, in each case, created solely over such asset and/or project (including but not limited to the project documents, cashflow and insurances) are further subject to:- (1) the relevant financing in respect which the security is created is able to be secured solely from the cashflows from the assets and/or projects; and (2) the relevant financing in respect of which the security is created is made on the basis of no recourse to F&N Holdings.

- ii. **Tender and Issuing Conditions** : The Notes may be issued in multiples of RM1,000,000 but subject to the Rules on Fully Automated System For Issuing/Tendering issued by BNM, as may be amended from time to time ("FAST Rules") and other customary conditions including but not limited to the following:-
 - 1. a minimum issue size of RM5,000,000 for each issue;

2. the issue notice shall be given to the Facility Agent at least 7 business days (for the first issue) or 5 business days (for subsequent issues) prior to and excluding the date of the proposed issue;
3. any amount redeemed may be reissued during the tenure of the Programmes, provided an Event of Default(s) has not occurred and subject always to the Programme Amount and that the maturity date of such issue shall not extend beyond the last day of the respective Programme Tenure; and
4. no new issuance or additional issuance shall be allowed on the occurrence of an Event of Default(s) under the Programmes.

iii. Tendering System : In accordance with the FAST Rules. In the event the tendered rates are not acceptable to the Issuer, the Issuer shall terminate the request for the issuance. The Issuer shall have the right to accept all or part of the amount tendered and shall also have the right to accept more than that is stated in the issue request.

iv. Tendering Mechanism for CP : The Facility Agent shall invite a selection of investors to participate as TPM to bid competitively for the CP. Composition of the TPM may be varied from time to time by the Facility Agent in consultation with the Issuer.

Allocation of the CP to bidders shall be in order of ascending yield. The Issuer has the right to reject any bids received from the TPM without assigning any reasons thereof. Alternatively, the CP could be placed privately via the Facility Agent to selected investors at an agreed price between the Issuer and the Facility Agent/investors.

- v. Delivery & Depository** : The Global Certificates in respect of the Notes shall be deposited with the Central Depository. No physical delivery of the Notes will be permitted so long as the certificates remain with the Central Depository.
- vi. Status/Ranking** : The Notes to be issued under the Programmes shall constitute direct, unsecured, unsubordinated and unconditional obligations of the Issuer ranking pari passu in all respects without preference or priority among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law.
- vii. Issue/ Redemption** : The Programmes shall be made available subject to standard terms and conditions including but not limited to the following:-

 - (i) the Notes shall be redeemed based on the respective face value on the respective maturity dates of the Notes and such maturity dates shall not exceed the last day of the respective Programme Tenure; and
 - (ii) any amount redeemed may be reissued during the tenure of the Programmes, provided an Event of Default(s) has not occurred and subject always to the Programme Amount and that the maturity date of such issue shall not extend beyond the last day of the respective Programme Tenure.
- viii. Default** : In the Event of Default, no further issuance may be made under the Programmes and the whole of the principal sums outstanding together with all other sums payable shall become immediately due and payable. Thereafter the Trustee may take proceedings against the Issuer and/or F&N Holdings as it may think fit to enforce immediate payment of the Notes.

- ix. **Rights of Set-Off** : The Issuer and its subsidiaries irrevocably and unconditionally authorizes the investors to apply any credit balances of the Issuer and its subsidiaries with the investors (including amounts arising from the realization of any securities pledged) towards satisfaction of any such sum due by the Issuer to the investors.
- x. **Taxes** : All payments shall be made free and clear of all present and future taxes, duties, withholdings or other deductions whatsoever imposed by the Government or any political sub-division or tax authority thereof. In the event that any such taxes are in future imposed, the Issuer will make such additional payments as are necessary to cause the participating investor(s) under the Programmes to receive net the whole amount that they would otherwise have received.
- xi. **Documentation** : The terms and conditions of the Programmes shall be set out in various agreements, including but not limited to the Trust Deed, Programme Agreement, Corporate Guarantee, Securities Lodgement Form and Tender Panel Agreement ("Transaction Documents") in form and substance acceptable to the parties to the Transaction Documents, including the Trustee, the Lead Arranger and the Issuer and shall include standard provisions customary for transactions of this nature as advised by the Solicitor and agreed by such parties.
- xii. **Governing Laws** : The Transaction Documents shall be governed by the Laws of Malaysia and be subject to the non-exclusive jurisdiction of the courts of Malaysia.
- xiii. **Other Conditions** : The Programmes shall moreover be at all times subject to such rules and directives (whether or not having the force of law) required of or imposed on the participating financial institution(s) by the SC and/or BNM.