

**IJM Land Berhad (IJM Land or the Issuer).**

**A perpetual Islamic notes issuance programme of RM2.0 billion in nominal value based on the Shariah principle of Musharakah with a Subordinated Guarantee from IJM Corporation Berhad (Perpetual Sukuk Programme).**

## **Principal Terms and Conditions**

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### **(A) CORPORATE INFORMATION OF ISSUER**

- (1) Name : IJM Land Berhad ("IJM Land" or the "Issuer").
- (2) Address : Registered Address: 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan Business Address: Ground Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan
- (3) Date of incorporation: 29 September 1989
- (4) Place of incorporation : Malaysia
- (5) Business registration: 187405-T number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : Investment holding.
- (10) Issued and paid-up : As at 15 January 2019, the issued and paid-up share capital of the Issuer is share capital 1,558,853,207 ordinary shares.
- (11) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : As at 15 January 2019, the structure of shareholdings and names of the shareholders of the Issuer are as follows:

Name	No. of ordinary shares	Shareholding (%)
IJM Corporation Berhad	1,558,853,207	100

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(12) Board of directors :

No.	Name
1	Dato' Soam Heng Choon
2	Edward Chong Sin Kiat
3	Lee Chun Fai

Additional Notes:

(13) Disclosure of the :  
following

- (i) If the issuer or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same, for the past ten years prior to the lodgement/ since incorporation (for issuer incorporated less than ten years) : None.
- (ii) If the issuer has been subjected : None.

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to any action by  
the stock  
exchange for  
any breach of  
the listing  
requirements or  
rules issued by  
the stock  
exchange, for  
the past five  
years prior to  
the lodgement

## (B) CORPORATE INFORMATION OF GUARANTOR

- (1) Name : IJM Corporation Berhad ("IJM Corp" or the "Kafalah Provider")
- (2) Address : 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan
- (3) Date of incorporation: 16 July 1983
- (4) Place of incorporation : Malaysia
- (5) Business registration: 104131-A  
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Bursa Malaysia
- (8) Date of listing : 29 September 1986
- (9) Principal activities : Construction and investment holding.
- (10) Issued and paid-up : As at 15 January 2019, the issued and paid-up share capital of the Kafalah

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share capital

Provider is 3,635,687,820 ordinary shares.

(11) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders :

As at 15 January 2019, the structure of shareholdings and names of the substantial shareholders of the Kafalah Provider are as follows:

Name	No. of ordinary shares	Shareholding (%)
Employees Provident Fund Board	531,271,618	14.652
AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	252,790,700	6.972
Urusharta Jamaah Sdn Bhd	227,307,500	6.269
Kumpulan Wang Persaraan (Diperbadankan)	184,641,000	5.092

(12) Board of directors :

No.	Name
1	Tan Sri Abdul Halim Bin Ali
2	Tan Sri Dato' Tan Boon Seng @ Krishnan
3	Dato' Soam Heng Choon
4	Lee Chun Fai
5	Datuk Lee Teck Yuen
6	Pushpanathan A/L S A Kanagarayar
7	Datuk Ir. Hamzah Bin Hasan
8	Goh Tian Sui
9	Tunku Alina Binti Raja Muhd Alias (f)
10	Tan Ting Min (f)
11	Dato' David Frederick Wilson

(13) Disclosure of the following :

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- (i) If the guarantor : None.  
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 guarantor or  
its board  
members for  
breaches of the  
same, for the  
past ten years  
prior to the  
lodgement/  
since  
incorporation  
(for guarantor  
incorporated  
less than ten  
years)
- (ii) If the guarantor : None.  
has been  
subjected to  
any action by  
the stock  
exchange for  
any breach of  
the listing  
requirements or  
rules issued by  
the stock  
exchange, for  
the past five  
years prior to  
the lodgement

### **(C) PARTIES TO THE TRANSACTION**

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### **(a) Origination**

No.	Roles	Name of parties
1	Issuer	IJM Land Berhad ("IJM Land" or "Issuer")
2	Guarantor	IJM Corporation Berhad ("IJM Corp" or "Kafalah Provider")
3	Principal Adviser	CIMB Investment Bank Berhad
4	Solicitors	Adnan Sundra & Low
5	Sukuk Trustee	Universal Trustee (Malaysia) Berhad ("UTM")
6	Shariah Adviser	CIMB Islamic Bank Berhad ("CIMB Islamic")
7	Credit Rating Agency	RAM Rating Services Berhad ("RAM")

### **(b) At the point of distribution**

No.	Roles	Name of parties
1	Issuer	IJM Land
2	Guarantor	IJM Corp
3	Lead Manager	CIMB and/or such other financial institutions to be appointed by the Issuer from time to time.
4	Facility Agent	CIMB

### **(c) After distribution**

No.	Roles	Name of parties
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1	Issuer	IJM Land
2	Guarantor	IJM Corp
3	Principal Adviser	CIMB Investment Bank Berhad
4	Facility Agent	CIMB
5	Sukuk Trustee	UTM
6	Shariah Adviser	CIMB Islamic
7	Central Depository	BNM
8	Paying Agent	BNM
9	Credit Rating Agency	RAM

#### (D) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : A perpetual Islamic notes issuance programme of RM2.0 billion in nominal value based on the Shariah principle of Musharakah with a Subordinated Guarantee from IJM Corporation Berhad ("Perpetual Sukuk Programme").
- (2) One-time issue or programme : Programme
- (3) Shariah principles (for sukuk) : 1. Musharakah (Profit and loss sharing)
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : Any perpetual Islamic notes to be issued under the Perpetual Sukuk Programme will be issued under the Shariah principle of Musharakah ("**Sukuk Musharakah**").  
The Sukuk Musharakah comprise certificates representing undivided beneficial interest in the Musharakah Venture (as defined below) and any funds held by the Manager (as defined below) on account of holders of the Sukuk Musharakah ("**Sukukholders**"). A description of the structure and summary of the principal Islamic documents are set out below.

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### Underlying Transaction

#### Master Musharakah Agreement

The Sukuk Trustee (on behalf of the Sukukholders) and IJM Land will enter into a master Musharakah agreement (the “**Master Musharakah Agreement**”) under which, the parties as partners (each a “**Partner**” and collectively the “**Musharakah Partners**”) may, from time to time, enter into Musharakah agreements (each a “**Musharakah Agreement**”) for the purposes of undertaking a venture (the “**Musharakah Venture**”) consisting of Shariah-compliant investments in the business operations of the Issuer and/or its subsidiaries or part thereof identified and held on trust by IJM Land on behalf of the Sukukholders (“**Business**”) which are to be identified prior to the issuance of the Sukuk Musharakah.

The Issuer shall issue the Sukuk Musharakah to the Sukukholders and the Sukukholders shall participate in the Musharakah Venture via subscription of the Sukuk Musharakah issued by the Issuer. The Sukuk Musharakah shall represent the respective Sukukholders' undivided proportionate interest in the Musharakah Venture and any funds held on account of the Sukukholders.

The capital contribution of the Sukukholders (“**Musharakah Capital**”) to the Musharakah Venture is the proceeds raised from the Sukuk Musharakah while IJM Land shall contribute the Business as a capital contribution in kind to the Musharakah Venture. Simultaneously, the Issuer shall make a declaration that it holds on trust the Musharakah Partners' interest in the Business for the benefit of the Sukukholder(s) and itself pursuant to the Musharakah Venture. For avoidance of doubt, the value of the Business shall be valued at the point of issuance based on net book value, market value or such other valuation methods acceptable to the Shariah Adviser.

The Sukukholder(s) shall appoint the Issuer as the manager to manage the Musharakah Venture (“**Manager**”). Income from the Musharakah Venture shall be distributed to each Partner based on a profit sharing ratio of 95:5 (Sukukholder(s):Issuer). Any losses incurred in the Musharakah Venture shall be borne by each Partner in proportion to each Partner's respective capital contribution in the Musharakah Venture. Each Musharakah Agreement will contain terms for the expected periodic distributions from that Musharakah Venture for each agreed period (each a “**Distribution Period**”). The expected periodic distribution amount (“**Expected Periodic Distribution Amount**”) on any relevant Periodic Distribution Date (to be paid on a semi-annual basis, or such other period to be agreed between the Issuer and the Sukukholder(s) from the issue date) is calculated at the prevailing Periodic Distribution Rate (as defined in the section entitled *Other terms and conditions – Periodic Distribution Rate*) on the nominal value of the relevant tranche of the Sukuk Musharakah.

Should the Issuer decide to dissolve or dispose of the Business, the Manager shall substitute from time to time throughout the tenure of the Sukuk Musharakah via a substitution agreement entered into between the Manager and the Sukuk Trustee (on behalf of the Sukukholders), to substitute the Business with a new business that is Shariah-compliant and approved by the Shariah Adviser. For the avoidance of doubt, the Business of the existing Musharakah Venture will be substituted with a different Business of at least equal value to the Business of such existing Musharakah Venture being replaced.



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Under the relevant Musharakah Venture, the Sukukholders have agreed upfront that they shall receive income generated from the relevant Musharakah Venture up to the aggregate Expected Periodic Distribution Amount. Any excess income from the relevant Musharakah Venture shall be retained by the Manager as a reserve ("**Reserve**") on behalf of the Sukukholders which may be utilised by the Manager from time to time for its own purposes provided that the Manager shall be required to re-credit such amounts when (a) there is a Shortfall (as defined below) and to the extent required of such Shortfall; and (b) upon the dissolution of the relevant Musharakah Venture pursuant to the Redemption Events (as defined in the section entitled *Call options and details, if applicable*) and/or Enforcement Events (as defined in the section entitled *Events of default or enforcement events, where applicable, including recourse available to investors*). Upon dissolution of the relevant Musharakah Venture pursuant to the Redemption Events and/or Enforcement Events and if there is positive balance in the Reserve, such amount in the Reserve will be given to the Manager as an incentive fee.

In the event the income generated is insufficient to pay the Expected Periodic Distribution Amount, the Manager (i) shall utilise any amount available in the Reserve to cover the shortfall between such Expected Periodic Distribution Amount and the income generated ("**Shortfall**") and (ii) may at its sole discretion provide a Shariah-compliant liquidity facility whereby it shall advance to the Sukuk Trustee (on behalf of the Sukukholders) an amount sufficient to make up the Shortfall (adjusted accordingly pursuant to any utilisation of the Reserve as referred to in (i) above, if applicable) in order to enable the Issuer to make payment in full of the said Expected Periodic Distribution Amount. Any amount of liquidity facility advanced by the Manager throughout the tenure of the Sukuk Musharakah will be repaid to the Manager upon redemption of the Sukuk Musharakah in full and such amount to be repaid shall be referred to as the "**Liquidity Facility**".

### Periodic Distribution Deferral

As agreed by the Sukukholders, IJM Land may at its sole discretion (unless an Issuer's Compulsory Periodic Distribution Payment Event OR a Kafalah Provider's Compulsory Periodic Distribution Payment Event (as defined in the section entitled *Other terms and conditions – Issuer's Compulsory Periodic Distribution Payment Event and Kafalah Provider's Compulsory Periodic Distribution Payment Event respectively*) has occurred) elect to make payment of all or some of the Expected Periodic Distribution Amount (such Expected Periodic Distribution Amount being deferred shall constitute the "**Arrears of Deferred Periodic Distribution**") on the Periodic Distribution Date (as defined in the section entitled *Other terms and conditions - Periodic Distribution Frequency*) or elect to defer all or some of such payment by giving an optional deferral notice in writing ("**Optional Deferral Notice**") signed by the Issuer to the Facility Agent and the Sukuk Trustee (for and on behalf of the Sukukholders) not more than fifteen (15) nor less than five (5) business days prior to the relevant Periodic Distribution Date.

Each amount of Arrears of Deferred Periodic Distribution shall (unless the same has been paid by the Kafalah Provider) itself be entitled to Expected Periodic Distribution Amounts (as the deferred Expected Periodic Distribution Amount will form part of the Sukukholders' Musharakah Capital) at the prevailing Periodic Distribution Rate and the amount of such Expected Periodic Distribution Amount (the "**Additional Periodic Distribution Amount**") with respect to Arrears of Deferred Periodic Distribution shall be payable pursuant to this paragraph and shall

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be calculated by applying the then prevailing Periodic Distribution Rate to the Arrears of Deferred Periodic Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this paragraph. The Additional Periodic Distribution Amount accrued up to any Periodic Distribution Date shall be added for the purpose of calculating the Additional Periodic Distribution Amount accruing thereafter, to the amount of Arrears of Deferred Periodic Distribution remaining unpaid on such Periodic Distribution Date so that it will itself become Arrears of Deferred Periodic Distribution.

### **Partial or Full Deferral**

Income from Musharakah Venture equal to or in excess of Expected Periodic Distribution Amount

If there has been sufficient income generated from the relevant Musharakah Venture to satisfy the payment of such part of or all the relevant Expected Periodic Distribution Amount being deferred which would otherwise become due and payable under the Sukuk Musharakah, under the relevant Musharakah Agreement, the Sukukholders irrevocably authorise the Manager to reinvest the income generated from the relevant Musharakah Venture up to the value of such Expected Periodic Distribution Amount being deferred pursuant to optional deferral into the existing Musharakah Venture as additional capital from the Sukukholders ("**Additional Capital**"). For avoidance of doubt, any reinvestment shall not increase the nominal value of the relevant Sukuk Musharakah. Any excess of the income generated from the relevant Musharakah Venture above the relevant Expected Periodic Distribution Amount shall be retained by the Manager in the Reserve on behalf of the Sukukholders.

Any payment of the Arrears of Deferred Periodic Distribution which are reinvested into the Musharakah Venture shall constitute payment of the Additional Capital ("**Capital Payment**"). Any Capital Payment made by the Issuer shall be shared by the Sukukholders of all outstanding Sukuk Musharakah on a pro-rata basis and the respective Sukukholders' Musharakah Capital shall be adjusted accordingly.

Any payment of the Arrears of Deferred Periodic Distribution shall constitute Capital Payment to the Sukukholders. For the avoidance of doubt, there would not be any double counting with regard to the payment of the Arrears of Deferred Periodic Distribution vis-à-vis Capital Payment of the Musharakah Venture.

Income from the Musharakah Venture less than Expected Periodic Distribution Amount

If the income from the relevant Musharakah Venture is insufficient to pay the Expected Periodic Distribution Amount or such part thereof which has not been deferred pursuant to optional deferral and is therefore due and payable, the Manager (i) shall utilise any amount available in the Reserve to cover the Shortfall in respect of such Expected Periodic Distribution Amount which has not been deferred and is therefore due and payable and (ii) may at its sole discretion provide a Shariah-compliant liquidity facility whereby it shall advance to the Sukuk Trustee (on behalf of the Sukukholders) an amount sufficient to make up the Shortfall (adjusted accordingly pursuant to any utilisation of the Reserve as referred to in (i) above, if applicable), in order to enable the Issuer to make payment of the said Expected Periodic Distribution Amount which has not been deferred. The Liquidity Facility will be repaid to the Manager upon redemption of the Sukuk Musharakah in

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full.

In the event the income generated from the relevant Musharakah Venture is lower than the Expected Periodic Distribution Amount, the amount in the Reserve has been fully utilised and the Manager does not provide any Liquidity Facility, the relevant Musharakah Venture shall be dissolved ("**Deferral Dissolution**") through an exercise of the Purchase Undertaking (as defined herein), and such part of or all of the Exercise Price (as defined in the section entitled *Other terms and conditions - Exercise Price*) shall be applied towards investment in a new Musharakah Venture. The book entries associated with the dissolution of the relevant Musharakah Venture and investment into a new Musharakah Venture shall be made in the books of the Manager. For the avoidance of doubt, (i) a dissolution of the relevant Musharakah Venture in this manner will not result in a redemption of the relevant Sukuk Musharakah and (ii) any investment shall not increase the nominal value of the relevant Sukuk Musharakah. For the avoidance of doubt, in the event of a Deferral Dissolution, a failure by the Issuer to pay any Expected Periodic Distribution Amount due and payable up to the date of dissolution (including any Arrears of Deferred Periodic Distribution and any Additional Periodic Distribution Amount) shall constitute an Enforcement Event, if such failure continues for a period of seven (7) business days or more.

### Purchase Undertaking

The Issuer, as the obligor to the Purchase Undertaking ("**Purchase Undertaking Obligor**"), shall issue a master purchase undertaking ("**Purchase Undertaking**") to the Sukuk Trustee (acting for and on behalf of the Sukukholders), where the Issuer (as the Purchase Undertaking Obligor) undertakes to purchase the Sukukholders' interests in the relevant Musharakah Venture from the Sukuk Trustee (acting for and on behalf of the Sukukholders) at the Exercise Price upon (i) the declaration of an Enforcement Event in accordance with the terms set out herein; (ii) a Deferral Dissolution; or (iii) non-payment of the Expected Periodic Distribution Amount under the Sukuk Musharakah falling due and payable by the Issuer and the Kafalah Provider (whether by virtue of the occurrence of an Issuer's Compulsory Periodic Distribution Payment Event or Kafalah Provider's Compulsory Periodic Distribution Payment Event or a breach of the Dividend and Capital Stopper (as defined in the section entitled *Other terms and conditions – Dividend and Capital Stopper*), and to execute a sale agreement for such purchase. The purchase of the Sukukholders' undivided beneficial interests in the relevant Musharakah Venture would lead to dissolution of the said Musharakah Venture.

For the avoidance of doubt: (a) in the case of Deferral Dissolution, the Exercise Price pursuant to the exercise of the Purchase Undertaking, less the amount of such portion of the Expected Periodic Distribution Amount which is not deferred shall be invested into a new Musharakah Venture; and (b) in the case of non-payment of the Expected Periodic Distribution Amount under the Sukuk Musharakah falling due and payable by the Issuer and the Kafalah Provider (whether by virtue of the occurrence of an Issuer's Compulsory Periodic Distribution Payment Event or Kafalah Provider's Compulsory Periodic Distribution Payment Event or a breach of the Dividend and Capital Stopper by the Issuer or the Kafalah Provider), the Exercise Price less the Expected Periodic Distribution Amount falling due and payable (i.e. the nominal value of the relevant Sukuk Musharakah) shall be invested into a new Musharakah Venture and is therefore not due and payable notwithstanding the exercise of the Purchase Undertaking.

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The Business of the new Musharakah Venture shall be different from the original Business that was part of the dissolved Musharakah Venture. The balance of the Exercise Price (if applicable) shall be distributed to the Sukukholders as Expected Periodic Distribution Amount which is not deferred.

### **Sale Undertaking**

The Sukuk Trustee (for and on behalf of the Sukukholders) shall issue a master sale undertaking ("**Sale Undertaking**") to the Issuer, where the Sukuk Trustee (for and on behalf of the Sukukholders) undertakes to sell the Sukukholders' interests in the relevant Musharakah Venture to the Issuer at the Exercise Price, upon redemption of the Sukuk Musharakah pursuant to the relevant Redemption Events and execute a sale agreement for such sale, in accordance with the terms as set out herein.

The Exercise Price shall be the sum payable by the Issuer or the Kafalah Provider pursuant to its obligations under the Subordinated Guarantee (as defined in the section entitled *Details of guarantee, if applicable*) (as the case may be) to the Sukukholders pursuant to the relevant Redemption Events, Deferral Dissolution or Enforcement Events and such purchase shall be effected by the Issuer or the Kafalah Provider (as the case may be) via a sale agreement pursuant to the Sale Undertaking or the Purchase Undertaking, as the case may be. The Exercise Price shall be calculated in accordance with the formula described in the section entitled *Other terms and conditions - Exercise Price*.

For the avoidance of doubt, in the event of a breach of Dividend and Capital Stopper by the Kafalah Provider, the outstanding deferred Expected Periodic Distribution Amount will become due and payable by the Kafalah Provider, and failure to pay such amount within the stipulated timeframe will trigger an Enforcement Event and where a final and effective order is made or an effective resolution is passed for the liquidation, winding-up or dissolution of the Kafalah Provider, provided that a stay on such order has not been granted by the relevant court of competent jurisdiction within thirty (30) days from the date of such order, the Exercise Price shall then be due and payable by the Kafalah Provider.

For the avoidance of doubt, a separate sale agreement will be executed from time to time upon the occurrence of a Redemption Event or Deferral Dissolution or Enforcement Event, where relevant, pursuant to the Purchase Undertaking or Sale Undertaking, as the case may be.

Please refer to the Annexure for the diagrammatic illustration of the Musharakah structure.

- |   |   |                      |
|---|---|----------------------|
| (5) Currency                              | : | Ringgit              |
| (6) Expected facility/<br>programme size  | : | MYR 2,000,000,000.00 |
| (7) Option to upsize (for :<br>programme) | : | Yes                  |

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- (8) Tenure of facility/ programme : Perpetual
- (9) Availability period for: debt/ sukuk programme : The Sukuk Musharakah may be issued at any time upon completion of the Transaction Documents and fulfillment of all conditions precedent to the satisfaction of the LA, unless waived by the LA, provided that the first issuance of the Sukuk Musharakah shall be made within sixty (60) business days from the date of the Lodgement with the SC.
- (10) Clearing and settlement platform : Payments Network Malaysia Sdn Bhd.
- (11) Mode of issue : ☒ Private/direct placement  
☒ Bought deal  
☒ Book building
- (12) Selling restrictions : (i) At issuance:  
☒ Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)  
☒ Part 1 of Schedule 7 of the CMSA  
☒ Read together with Schedule 9 of CMSA  
☒ Other-Selling Restrictions at Issuance The Sukuk Musharakah may only be offered, sold, transferred or otherwise disposed directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the Sukuk Musharakah and to whom the Sukuk Musharakah are issued would fall within Part 1 of Schedule 6 and Part 1 of Schedule 7 of the Capital Markets and Services Act, 2007 as amended from time to time ("CMSA") read together with Schedule 9 or Section 257(3) of the CMSA.  
(ii) After issuance:  
☒ Part 1 of Schedule 6 of the CMSA  
☒ Read together with Schedule 9 of CMSA  
☒ Other-Selling Restrictions after Issuance The Sukuk Musharakah may only be offered, sold, transferred or otherwise disposed directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the Sukuk Musharakah and to whom the Sukuk Musharakah are issued would fall within Part 1 of Schedule 6 or Section 229(1)(b) of the CMSA read together with Schedule 9 or Section 257(3) of the CMSA.
- (13) Tradability and transferability : Size in Ringgit which are tradable and transferable:  
MYR 2,000,000,000.00  
Size in Ringgit which are non-tradable and non-transferable:  
Not applicable

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(14) Secured/combinatio : Unsecured  
n of unsecured and  
secured, if  
applicable

(15) Details of guarantee,: The Kafalah Provider shall provide a guarantee based on the Shariah principle of  
if applicable Kafalah, as a continuing obligation, in favour of the Sukuk Trustee for and on behalf of the Sukukholders ("**Subordinated Guarantee**"), whereby pursuant to the Subordinated Guarantee:

(A) Subordinated guarantee for Non Payment of Periodic Distribution Payment

In the event of any non-payment of the Expected Periodic Distribution Amount under the Sukuk Musharakah falling due and payable (whether by virtue of the occurrence of an Issuer's Compulsory Periodic Distribution Payment Event or Kafalah Provider's Compulsory Periodic Distribution Payment Event or a breach of the Dividend and Capital Stopper by the Issuer or the Kafalah Provider), the relevant Musharakah Venture shall be dissolved through an exercise of the Purchase Undertaking and the Exercise Price less the Expected Periodic Distribution Amount falling due and payable (i.e. the nominal value of the relevant Sukuk Musharakah) shall be invested into a new Musharakah Venture and is therefore not due and payable notwithstanding the exercise of the Purchase Undertaking and the Kafalah Provider shall pay such due and payable Expected Periodic Distribution Amount (i.e. the remaining part of the Exercise Price) within 15 days from the date where such payment notice is served by the Facility Agent (such payment notice under the Subordinated Guarantee shall be served by the Facility Agent within 2 business days from the relevant Periodic Distribution Date) to the Kafalah Provider.

For the avoidance of doubt, any amount of Expected Periodic Distribution Amount under the Sukuk Musharakah deferred pursuant to Optional Deferral of Distribution (As defined in the section entitled *Other terms and conditions – Optional Deferral of Distribution*) shall NOT be deemed to be due and payable.

Should there be a breach of the Dividend and Capital Stopper by the Issuer or the Kafalah Provider, the relevant Musharakah Venture shall be dissolved through an exercise of the Purchase Undertaking and the Exercise Price less the Expected Periodic Distribution Amount falling due and payable (whether by virtue of the occurrence of an Issuer's Compulsory Periodic Distribution Payment Event or Kafalah Provider's Compulsory Periodic Distribution Payment Event or a breach of the Dividend and Capital Stopper by the Issuer or the Kafalah Provider) (i.e. the nominal value of the relevant Sukuk Musharakah) shall be invested into a new Musharakah Venture and is therefore not due and payable notwithstanding the exercise of the Purchase Undertaking and the Kafalah Provider shall pay such deferred Expected Periodic Distribution Amount including any Arrears of Deferred Periodic Distribution (if any) (i.e. the remaining part of the Exercise Price) to the Sukukholders within 15 days from the date of such breach. Once the deferred Expected Periodic Distribution Amount including any Arrears of the Deferred Periodic Distribution (if any) has been paid in full by the Kafalah Provider in accordance with the Subordinated Guarantee, the obligations of the Issuer in respect of the same shall then be extinguished.

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### (B) Subordinated guarantee for the Exercise Price pursuant to Issuer's Winding up Event

Following an Enforcement Event of the Issuer where there is a final and effective winding up order made on the Issuer, or when an effective resolution is passed for the winding-up or dissolution of the Issuer ("**Issuer's Winding Up Event**"), the Subordinated Guarantee shall be triggered and the Exercise Price under the Sukuk Musharakah shall be due and payable in cash by the Kafalah Provider to the Sukukholders no later than 3 months from the date of Issuer's Winding Up Event, or upon the issuance of the Replacement Perpetual Sukuk (as defined below), whichever is earlier. Hence, unless so decided otherwise by the Sukukholders by way of an extraordinary resolution that the Replacement Perpetual Sukuk (as defined below) is not required, the Kafalah Provider shall take all immediate and necessary steps to, within 3 months from the occurrence of the Issuer's Winding Up Event, issue a replacement perpetual Sukuk mirroring the terms of the Sukuk Musharakah including, but not limited to, the same periodic distribution rates and call dates, for a nominal amount similar to that of the Sukuk Musharakah ("**Replacement Perpetual Sukuk**").

For the purposes of the issuance of the Replacement Perpetual Sukuk, the Sukukholders irrevocably authorise the Kafalah Provider to retain the Exercise Price (payable to the Sukukholders by the Kafalah Provider in cash pursuant to the Subordinated Guarantee) and invest, on behalf of the Sukukholders, part of the Exercise Price equivalent to the nominal value of the Sukuk Musharakah into the new Musharakah venture under the Replacement Perpetual Sukuk, while the Kafalah Provider shall contribute the business operation of the Kafalah Provider and/or its subsidiaries or part thereof identified and held on trust by the Kafalah Provider on behalf of the holders of the Replacement Perpetual Sukuk as a contribution in kind to the Musharakah venture under the Replacement Perpetual Sukuk.

The Sukukholders also irrevocably authorise the Kafalah Provider to invest the remaining part of the Exercise Price into the Musharakah venture under the Replacement Perpetual Sukuk as additional capital, which form part of the expected periodic distribution amount under the Replacement Perpetual Sukuk and would itself be entitled to additional periodic distribution amount. For the avoidance of doubt, such additional capital shall not increase the nominal value of the Replacement Perpetual Sukuk. Any payment of such additional capital to the holders of the Replacement Perpetual Sukuk shall be deemed as a repayment of such additional capital, and not payment of profit from the Musharakah venture under the Replacement Perpetual Sukuk.

Upon issuance of the Replacement Perpetual Sukuk, the Sukuk Musharakah will be deemed cancelled and there shall be no further obligations whatsoever from the Issuer, on the Sukuk Musharakah. For the avoidance of doubt, the issuance of the Replacement Perpetual Sukuk shall be subject to a new SC Lodgement and other necessary regulatory approvals as required at the time for the new issuance.

The Replacement Perpetual Sukuk shall be issued to the Sukukholders in consideration of the Sukukholders' investment of part of the Exercise Price equivalent to the nominal value of the Sukuk Musharakah (payable to the Sukukholders by the Kafalah Provider in cash pursuant to the Subordinated

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Guarantee) into the new Musharakah venture under the Replacement Perpetual Sukuk.

Until the completion of the issuance of the Replacement Perpetual Sukuk, Dividend and Capital Stopper shall apply to the Kafalah Provider. In the event of a breach of Dividend and Capital Stopper arising from an Issuer's Winding Up Event and completion of the issuance of the Replacement Perpetual Sukuk, the Exercise Price shall be payable by the Kafalah Provider, pursuant to the Subordinated Guarantee, within 30 days from the date of the breach of Dividend and Capital Stopper.

In the event of a failure by the Kafalah Provider to issue the Replacement Perpetual Sukuk within 3 months from the date of Issuer's Winding Up Event, the Exercise Price shall be immediately due and payable by the Kafalah Provider.

For the avoidance of doubt, no Replacement Perpetual Sukuk shall be issued if the Enforcement Event relates to the liquidation, winding up or dissolution of the Kafalah Provider.

- (16) Convertibility of issuance and details of the convertability : Non-convertible
- (17) Exchangeability of issuance and details of the exchangeability : Non-exchangeable
- (18) Call option and details, if applicable : The Issuer may redeem the Sukuk Musharakah pursuant to the following:
- (1) Optional Redemption (as defined in the section entitled *Other terms and conditions – Optional Redemption*);
  - (2) Accounting Event Redemption (as defined in the section entitled *Other terms and conditions – Accounting Event Redemption*);
  - (3) Tax Event Redemption (as defined in the section entitled *Other terms and conditions – Tax Event Redemption*);
  - (4) Rating Event Redemption (as defined in the section entitled *Other terms and conditions – Rating Event Redemption*); and
  - (5) Change of Control Redemption (as defined in the section entitled *Other terms and conditions – Change of Control Redemption*),
- (collectively, the "**Redemption Events**" and each a "**Redemption Event**").
- (19) Put option and details, if applicable : No put option



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(20) Details of covenants : Positive Covenants

Positive covenants in respect of the Issuer to include but not limited to the following:

(1) the Issuer shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable it to own its assets, to carry on its business or for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the Sukukholders under the Transaction Documents and the Issuer shall comply with the same;

(2) the Issuer shall at all times on demand execute all such further documents and do all such further acts reasonably necessary at any time or times to give effect to the terms and conditions of the Transaction Documents;

(3) the Issuer shall 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;

(4) the Issuer shall promptly perform and carry out all its obligations under all the Transaction Documents to which it is a party (including but not limited to payment of amounts due under the Sukuk Musharakah on the relevant dates on which such amounts are due and payable, subject to the *Optional Deferral of Distribution* as defined in the section entitled *Other terms and conditions – Optional Deferral of Distribution*) and ensure that it shall immediately notify the Sukuk Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents;

(5) the Issuer shall prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Issuer for the period to which the financial statements are made up in line with the approved accounting standard;

(6) the Issuer shall promptly comply with all applicable laws including the provisions of the CMSA and/or the notes, circulars, conditions or guidelines issued by the SC from time to time;

(7) the Issuer shall at all times maintain a paying agent who is based in Malaysia and the Issuer shall procure the paying agent to notify the Sukuk Trustee, through the Facility Agent, if the paying agent does not receive payment from the Issuer on the due dates as required under the Trust Deed and the terms and conditions of the Sukuk Musharakah (unless any payment is deferred in accordance with the terms of the Sukuk Musharakah);

(8) the Issuer shall keep proper books and accounts at all times and to provide the Sukuk Trustee and any person appointed by it (e.g. auditors) access to such books and accounts to the extent permitted by law with a notice of seven (7) business days to be given in writing;

(9) the Issuer shall ensure that the terms in the Transaction Documents do not

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contain any matter which is inconsistent with the provisions of the IM;

(10) the Issuer shall maintain adequate Takaful/insurance where necessary for the business of such nature with reputable Takaful providers / insurance companies and shall notify the Sukuk Trustee within seven (7) business days of any event which or may give rise to any claim or right of action under any Takaful / insurance;

(11) the Issuer shall open and maintain the Shariah-compliant Sukuk Trustees' Reimbursement Account for Sukukholders' actions (the "**Sukuk Trustees' Reimbursement Account**") with a sum of Ringgit Malaysia Thirty Thousand (RM30,000.00) to be set up from the monies received by the Issuer when the Sukuk Musharakah are issued. The Sukuk Trustees' Reimbursement Account shall be solely operated by the Sukuk Trustee and the money in the Sukuk Trustees' Reimbursement Account may be used for defraying expenses that may be incurred in carrying out its duties in relation to the occurrence of Enforcement Events which are provided under the Transaction Documents; and

(12) any other covenants as advised by the Solicitor and mutually agreed between the LA and the Issuer.

Please refer to the section entitled *Other terms and conditions* for positive covenants in respect of the Kafalah Provider.

### Negative covenants

Negative covenants in respect of the Issuer to include but not limited to the following; wherein the Issuer SHALL NOT, for so long as any liability under the Perpetual Sukuk Programme remains undischarged, without the prior written consent of the Sukuk Trustee (acting on instructions of the Sukukholders):

(1) other than those disclosed in writing to the PA/LA prior to the execution of the Transaction Documents, 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 over the whole or any part of its property, assets or revenues (whether present or future), unless the following conditions are complied with:

- (i) There is no outstanding unpaid Arrears of Deferred Periodic Distribution;
- (ii) No Enforcement Event has occurred; and
- (iii) The amount subject to such security interest shall not exceed the aggregate amount of Ringgit Malaysia One Hundred Million (RM100,000,000.00) at any one point in time.

For the avoidance of doubt, no consent from the Sukuk Trustee is required for the Issuer to give any guarantee, indemnity, undertaking, financial assistance or credit support letter including but not limited to letter of comfort or any other similar agreement or arrangement, which are not secured against any of the Issuer's property/assets/revenues, in relation to the borrowings/financings/operations of any of the entities within the IJM Land Group (as defined in the section entitled *Other terms and conditions – Utilisation of Proceeds*) and/or as required in the ordinary course of business of the IJM Land Group;

(2) add, delete, amend, supplement, vary or substitute its Memorandum or Articles of Association/Constitution in a manner which may have a Material Adverse Effect and/or may be materially prejudicial to the interest of the Sukukholders;

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For the purpose of these terms and conditions, “**Material Adverse Effect**” shall mean any material adverse effect on: the business or condition (financial or otherwise) or results of the operations of the Issuer or the Kafalah Provider which would affect the ability of the Issuer or the Kafalah Provider to perform any of its obligations under any of the Transaction Documents in accordance with its terms.

(3) enter into any transactions, whether directly or indirectly with any of its interested persons (including its directors, chief executive and major shareholders or persons connected with them) (“**Interested Persons**”) unless such transaction is entered into:

(a) on an arms-length basis and on terms no less favourable to the Issuer than those which could have been obtained in comparable transactions from persons who are not Interested Persons; and

(b) with respect to transactions involving an aggregate payment or value equal to or greater than the agreed percentage ratios as set out in the Main Market Listing Requirements of Bursa Malaysia (“**Main Market Listing Requirements**”), the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms,

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

(4) utilise the proceeds of the Sukuk Musharakah except for the purposes set out in the Transaction Documents and the IM and change the utilisation of proceeds set out therein;

(5) take steps to wind-up or dissolve itself;

(6) lend any money to any party other than: (a) normal trade credit in the ordinary course of business; (b) loans to the Issuer’s directors, officers or employees as part of their terms of employment; and/or (c) inter-company loans or advances to any entity within the IJM Land Group; and

(7) any other covenants as advised by the Solicitor and mutually agreed between the LA and the Issuer.

Please refer to the section entitled *Other terms and conditions* for negative covenants in respect of the Kafalah Provider.

### Financial Covenants

No financial covenant

### Information Covenants

Information covenants in respect of the Issuer to include but not limited to the following:

(1) the Issuer shall provide to the Sukuk Trustee at least on an annual basis, a certificate confirming, executed by any two directors of the Issuer, that it has complied with all its obligations under the Transaction Documents and that there

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does not exist or had not existed, from the date the Sukuk Musharakah were issued or the date of the previous certificate as the case may be, any Enforcement Event, and if such is not the case, to specify 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 years) copies of its consolidated annual financial statements for that year which shall contain the income statements and balance sheets of the Issuer and which are audited and certified without qualification by a firm of independent certified public accountants acceptable to the Sukuk Trustee;

(b) as soon as they become available (and in any event within ninety (90) days after the end of the first half of each of its financial year) copies of its unaudited half yearly income statements and balance sheets of the Issuer;

(c) promptly, any relevant information as the Sukuk Trustee may from time to time reasonably request in writing in order to discharge its duties and obligations as Sukuk Trustee under the Transaction Documents relating to the Issuer's affairs to the extent permitted by law; and

(d) promptly, (i) all statutory notices or other documents received by the Issuer from its shareholders which contents may materially and adversely affect the interests of the Sukukholders; and (ii) a copy of all accounts, reports, notice, statement or circular dispatched by the Issuer to its shareholders generally at the same time as these documents are dispatched to these shareholders;

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

(a) the occurrence of any Enforcement Event;

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

(i) any amount payable under the Sukuk Musharakah to become immediately payable;

(ii) the Sukuk Musharakah to become immediately enforceable; or

(iii) any other right or remedy under the terms, provisions or covenants of the Sukuk Musharakah or the Trust Deed to become immediately enforceable;

(c) any circumstance that has occurred that would materially prejudice the Issuer and/or the Kafalah Provider;

(d) any substantial change in the nature of the business of the Issuer and/or the Kafalah Provider;

(e) any change in the name of the Kafalah Provider;

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

(g) any cessation of liability of the Kafalah Provider for the payment of the whole or part of the moneys for which it was liable under the Subordinated Guarantee;

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

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(i) any change in the utilisation of proceeds arising from the issuance of the Sukuk Musharakah under the Perpetual Sukuk Programme; and

(4) any other covenants as advised by the Solicitor and mutually agreed between the LA and the Issuer.

Please refer to the section entitled *Other terms and conditions* for information covenants in respect of the Kafalah Provider.

(21) Details of designated account, if applicable : No designated account

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

No.	Credit rating agency	Credit rating	Final/ indicative rating	Name of Class/ Series/ Tranche	Amount rated
1	RAM Rating Services Bhd (RAM)	A2	Final rating		MYR 2,000,000,000.00

(23) Conditions precedent : Conditions precedent shall consist of conditions which are standard and customary for a facility of this nature, to the satisfaction of the LA and shall include but not limited to the following (all have to be in form and substance acceptable to the LA):

### **(1) Main Documentation**

(a) all relevant Transaction Documents have been executed, endorsed as exempted under Stamp Duty Exemption (No 23) Order 2000 or presented for registration where applicable.

(b) all relevant notices and acknowledgements (where applicable) shall have been made or received as the case may be.

### **(2) The Issuer and Kafalah Provider**

(a) certified true copies of the Certificate of Incorporation and the Memorandum and Articles of Association/Constitution, of the Issuer and Kafalah Provider;

(b) certified true copies of the latest Return for Allotment of Shares, Notification for Change in the Registered Address, and Notification of Change in the Register of Directors, Managers and Secretaries of the Issuer and Kafalah Provider;

(c) certified true copy of board resolution(s) of the Issuer authorising, amongst others, the execution of the Transaction Documents;

(d) a list of the Issuer's and relevant Kafalah Provider's authorised signatories and their respective specimen signatures;

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(e) a report of the relevant company search of the Issuer and Kafalah Provider; and

(f) a report of the relevant winding-up search of the Issuer and Kafalah Provider or the relevant statutory declaration of the Issuer and the Kafalah Provider.

### **(3) General**

(a) acknowledgement from the SC on the lodgement made in respect of the Perpetual Sukuk Programme under the LOLA Guidelines, and, where applicable, approval from other regulatory authorities in connection with the issuance of the Sukuk Musharakah;

(b) the Perpetual Sukuk Programme has received the requisite rating as stated in these terms and conditions;

(c) satisfactory evidence that the Sukuk Trustees' Reimbursement Account has been opened in accordance with the Transaction Documents;

(d) the LA have received from its Solicitor a satisfactory legal opinion addressed to them and the Sukuk Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to the LA that all the conditions precedent have been fulfilled or otherwise waived;

(e) evidence that all fees, costs and expenses in relation to the Perpetual Sukuk Programme have been paid or will be paid in full to the extent that the same are due and payable before the issuance of the Sukuk Musharakah;

(f) where required, satisfactory evidence that all requisite consents/approvals have been obtained from the relevant financiers in respect of the Issuer's and Kafalah Provider's existing indebtedness (where applicable), for the Issuer to issue the Sukuk Musharakah and for the Kafalah Provider to issue the Subordinated Guarantee;

(g) confirmation from the Shariah Adviser that the structure, mechanism and the Transaction Documents are in compliance with Shariah principles; and

(h) such other conditions precedent to be advised by the Solicitor and mutually agreed between the LA and the Issuer and the Kafalah Provider.

## **(24) Representations and warranties**

### **Representations and warranties in respect of the Issuer**

Representations and warranties typical and customary for transaction of this nature which shall 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, and has full power to carry on its business and to own its property and assets, and has full beneficial ownership of all its respective property and assets;

(2) the Memorandum and Articles of Association/Constitution of the Issuer incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any administrative, governmental or other authority or body in

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Malaysia 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 Documents did or does as at the date this representation and warranty is made or repeated (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 their assets, (b) cause any limitation on the Issuer or the powers of its directors, whether imposed by or contained in its Memorandum and Articles of Association/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 its terms;

(5) no other registration, recording, filing or notarisation of the Transaction Documents and no payment of any duty or tax and no other action whatsoever is necessary or desirable, apart from those required to be done as conditions precedent for the issuance of Sukuk Musharakah as stated in item Conditions precedent herein, to ensure the validity or enforceability in Malaysia of the liabilities and obligations of the Issuer or the rights of the Sukuk Trustee under the Transaction Documents in accordance with their terms or to ensure the admissibility in evidence in Malaysia of the Transaction Documents;

(6) the audited consolidated financial statements (including the statements of profit or loss and other comprehensive income and statements of financial position) of the Issuer for each financial year are prepared in accordance with approved accounting standards in Malaysia and give a true and fair view of the results of its operations for that year and the state of its affairs at that date;

(7) there is no litigation, arbitration, winding-up or administrative proceeding or any other proceeding or claim which might by itself or together with any other such proceedings or claims which will have a Material Adverse Effect, is presently in progress or, pending or, to the best of the Issuer's knowledge, threatened against the Issuer; and

(8) such other representations and warranties as may be advised by the Solicitor and mutually agreed between the LA and the Issuer.

**Representations and warranties in respect of the Kafalah Provider**

Representations and warranties typical and customary for transaction of this nature which shall include but not limited to the following:

(1) the Kafalah Provider is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, and has full power to carry on its

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business and to own its property and assets, and has full beneficial ownership of all its respective property and assets;

(2) the Memorandum and Articles of Association/Constitution of the Kafalah Provider incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorise, the Kafalah Provider 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 Documents did or does as at the date this representation and warranty is made or repeated (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 Kafalah Provider or any of its assets is bound or which is applicable to the Kafalah Provider, or any of their assets, (b) cause any limitation on the Kafalah Provider or the powers of its directors, whether imposed by or contained in its Memorandum and Articles of Association/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 Kafalah Provider's assets;

(4) each of the Transaction Documents to which it is a party 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 Kafalah Provider enforceable in accordance with its terms;

(5) no other registration, recording, filing or notarisation of the Transaction Documents and no payment of any duty or tax and no other action whatsoever is necessary or desirable, apart from those required to be done as conditions precedent for the issuance of Sukuk Musharakah as stated in item Conditions precedent herein, to ensure the validity or enforceability in Malaysia of the liabilities and obligations of the Kafalah Provider or the rights of the Sukuk Trustee under the Transaction Documents in accordance with their terms or to ensure the admissibility in evidence in Malaysia of the Transaction Documents;

(6) the audited consolidated financial statements (including the statements of profit or loss and other comprehensive income and statements of financial position) of the Kafalah Provider for each financial year are prepared in accordance with approved accounting standards in Malaysia and give a true and fair view of the results of its operations for that year and the state of its affairs at that date;

(7) there is no litigation, arbitration, winding-up or administrative proceeding or any other proceeding or claim which might by itself or together with any other such proceedings or claims which will have a Material Adverse Effect, is presently in progress or, pending or, to the best of the Kafalah Provider's knowledge, threatened against the Kafalah Provider; and

(8) such other representations and warranties as may be advised by the Solicitor



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and mutually agreed between the LA and the Kafalah Provider.

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(25) Events of defaults or :  
enforcement events,  
where applicable,  
including recourse  
available to  
investors

### **Events of Default or Dissolution Events**

There are no events of default or dissolution events which will entitle the Sukuk Trustee or the Sukukholders to declare that any or all amounts under the Sukuk Musharakah to be immediately due and payable.

### **Enforcement Events**

Upon the occurrence of any of the following enforcement events set out below, the Enforcement Method (as defined below) may be enforced. The enforcement events (collectively, the "**Enforcement Events**" and each an "**Enforcement Event**") are as follows:

(1) where a final and effective order is made or an effective resolution is passed for the liquidation, winding-up or dissolution of the Issuer or the Kafalah Provider, provided that a stay on such order has not been granted by the relevant court of competent jurisdiction within thirty (30) days from the date of such order;

(2) the Issuer fails to pay (a) any amount in respect of the Exercise Price as a result of a Redemption Event and (b) any amount in respect of the Sukuk Musharakah whether in respect of the due and payable Expected Periodic Distribution Amount or part thereof and any Arrears of Deferred Periodic Distribution, and such failure to pay under items (a) and (b) continues for a period of seven (7) business days or more (for this purpose, such payment of Expected Periodic Distribution Amount or part thereof and Arrears of Deferred Periodic Distribution will not be due if the Issuer has elected to defer such Expected Periodic Distribution Amount or part thereof in accordance with the Transaction Documents); and

(3) the Kafalah Provider fails to pay any amount due under the Subordinated Guarantee and such failure continues for a period of seven (7) business days or more.

For the avoidance of doubt, a breach of covenant by the Issuer or the Kafalah Provider (apart from failure to pay the amounts stated under item (2) and (3) above) will not constitute an Enforcement Event.

### **Enforcement-Method**

Upon the occurrence of an Enforcement Event under item (1) above, the Sukuk Trustee may at its discretion, and shall if so directed by an extraordinary resolution of the Sukukholders, declare that an Enforcement Event has occurred and require the Issuer to purchase the Sukukholders' interest in the Musharakah Venture from the Sukuk Trustee (for and on behalf of the Sukukholders) at the relevant Exercise Price.

Upon the occurrence of an Enforcement Event under item (2) and (3) above, the Sukuk Trustee may at its discretion, and shall if so directed by an extraordinary resolution of the Sukukholders, declare that an Enforcement Event has occurred and:-

(a) institute winding-up proceedings against the Issuer or Kafalah Provider as the case may be; and/or

(b) prove in the winding-up of the Issuer or the Kafalah Provider (as the case may be) and/or claim in the liquidation of the Issuer or the Kafalah Provider (as the case

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may be) for such payment as it may think fit to enforce the obligations of the Issuer or the Kafalah Provider, under or arising from the Sukuk Musharakah and the Subordinated Guarantee (as the case may be).

Without prejudice to the above, the Sukuk Trustee may at its discretion or shall, if directed to do so by an extraordinary resolution of the Sukukholders, without further notice institute such proceedings against the Issuer or the Kafalah Provider (as the case may be), as it may think fit to enforce any term or condition binding on the Issuer under the Sukuk Musharakah, or the Kafalah Provider under the Subordinated Guarantee, the Trust Deed (other than any payment obligation of the Purchase Undertaking Obligor under or arising from the Purchase Undertaking, including, without limitation, payment of the Exercise Price for the satisfaction of the nominal value, any Expected Periodic Distribution Amount and any Arrears of Deferred Periodic Distribution in respect of the Sukuk Musharakah including any damages (excluding opportunity cost) awarded for breach of any obligations), and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by them.

For the avoidance of doubt, it is not allowed under the terms and conditions of the Sukuk Musharakah for acceleration of payments of all the outstanding Sukuk Musharakah, save for an Enforcement Event under item (1) above.

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- (26) Governing laws : Laws of Malaysia.
- (27) Provisions on buy-back, if applicable : The Issuer or its subsidiaries or its agent(s) who is/are acting for the redemption or purchase, may at any time purchase the Sukuk Musharakah at any price in the open market or by private treaty, and such Sukuk Musharakah purchased by the Issuer or its subsidiaries or its agent(s) shall be cancelled by the Issuer and cannot be resold or reissued.
- (28) Provisions on early redemption, if applicable : The Sukuk Musharakah are issued on a perpetual basis and may only be redeemed by the Issuer upon the occurrence of a Redemption Event.  
The Sukuk Musharakah redeemed by the Issuer shall be cancelled and cannot be reissued or resold.
- (29) Voting : Voting by the Sukukholders under the Perpetual Sukuk Programme shall be carried out as follows:-  
**Prior to upsizing of the Perpetual Sukuk Programme**  
All matters (save in relation to the upsizing of the Perpetual Sukuk Programme) which require the Sukukholders' consent under the Perpetual Sukuk Programme shall be carried out on a collective basis.  
**Post upsizing of the Perpetual Sukuk Programme**  
All matters which require the Sukukholders' consent under the Perpetual Sukuk Programme shall be carried out on a per series 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 Perpetual Sukuk Programme and the consent from Sukukholders of all outstanding series shall have been obtained for any such resolution to be carried.  
"series" shall mean, in relation to any Sukuk Musharakah, such Sukuk Musharakah with the same issue date.
- (30) Permitted investments, if applicable : The amount standing to the credit of the Sukuk Trustees' Reimbursement Account may be invested in Shariah-compliant deposits or instruments.
- (31) Ta'widh (for ringgit-denominated sukuk) : In the event of any delay in payments of any amount due and payable to the Sukukholders pursuant to the Purchase Undertaking or Sale Undertaking, as the case may be, IJM as the Kafalah Provider or the Issuer, as the case may be, shall pay to the Sukuk Trustee for the benefit of the Sukukholders Ta'widh (compensation) on such delayed payment at the rate and manner prescribed by the SC's Shariah Advisory Council from time to time.
- (32) Ibra' (for ringgit-denominated sukuk) : Not applicable.

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(33) Kafalah (for ringgit-denominated sukuk) : Please refer to the section entitled *Details of guarantee*