

Islamic medium term notes (Agroto ASEAN Sustainability SRI Sukuk) pursuant to an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) (Agroto ASEAN Sustainability SRI Sukuk Programme)

## Principal Terms and Conditions

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### (A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Agroto Business (M) Sdn Bhd
- (2) Address : Registered Address:  
No. 16 A Jalan Medan Bendahara Satu,  
31650 Ipoh, Perak, Malaysia.
- Business Address:  
No. 31-2, Jalan Damai Niaga,  
Alam Damai Cheras,  
56000 Kuala Lumpur, Malaysia
- (3) Date of incorporation: 9 January 2012
- (4) Place of incorporation : Malaysia
- (5) Business registration: 201201000811 (974335-M)  
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : Principally involved in the development of integrated tourism farming, estate management and plantation.
- (10) Issued and paid-up : As at 1 March 2021, the issued and paid-up share capital of the Issuer is  
share capital RM5,000,000.00 comprising 5,000,000 ordinary shares.
- (11) Structure of : As at 1 March 2021, the shareholders of the Issuer and their shareholdings in the  
shareholdings and  
names of  
shareholders or, in
- | Name of shareholders | Number of ordinary shares | % |
|----------------------|---------------------------|---|
|----------------------|---------------------------|---|

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the case of a public company, names of all substantial shareholders

Perbadanan Pembangunan Pertanian Negeri Perak	1,000,000	20%
CH Kinta Valley Sdn Bhd	3,000,000	60%
CH Kinta Green Valley Sdn Bhd	1,000,000	20%

(12) Board of directors :

No.	Name
1	Y.A. BHG. General Dato' Seri Diraja Tan Sri (Dr.) Mohd Zahidi Bin Haji Zainuddin (R)
2	Y.BHG Dato' Iskandar Dzulkarnain Bin Abdul Khalid
3	Y. B. Dato' Zainol Fadzi Bin Paharudin
4	Chai Seong Min
5	Chin Choon Guan
6	Chai Chang Guan
7	Chai Moy Fong

(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
- None.

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

- (ii) If the issuer has: Not applicable.  
been subjected  
to any action by  
the stock  
exchange for  
any breach of  
the listing  
requirements or  
rules issued by  
the stock  
exchange, for  
the past five  
years prior to  
the lodgement

## (B) PARTIES TO THE TRANSACTION

### (a) Origination

No.	Roles	Name of parties
1	Issuer	Agroto Business (M) Sdn Bhd
2	Principal Adviser	MIDF Amanah Investment Bank Berhad
3	Lead Arranger	MIDF Amanah Investment Bank Berhad
4	Solicitors	Adnan Sundra & Low
5	Facility Agent	MIDF Amanah Investment Bank Berhad
6	Shariah Adviser	MIDF Amanah Investment Bank Berhad (backed by MIDF Shariah Committee)

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7	Sukuk Trustee	Pacific Trustees Berhad
8	Security Trustee	Pacific Trustees Berhad
9	Credit Rating Agency	RAM Rating Services Berhad
10	Guarantor	Sabah Development Bank Berhad
11	Other-Independent External Reviewer	Malaysian Rating Corporation Berhad

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

No.	Roles	Name of parties
1	Issuer	Agroto Business (M) Sdn Bhd
2	Lead Manager	MIDF Amanah Investment Bank Berhad and/or any other financial institution(s) to be appointed prior to each issuance of the Agroto ASEAN Sustainability SRI Sukuk
3	Facility Agent	MIDF Amanah Investment Bank Berhad
4	Central Depository	Bank Negara Malaysia
5	Paying Agent	Bank Negara Malaysia

**(c) After distribution**

No.	Roles	Name of parties
1	Issuer	Agroto Business (M) Sdn Bhd
2	Principal Adviser	MIDF Amanah Investment Bank Berhad
3	Solicitors	Adnan Sundra & Low
4	Shariah Adviser	MIDF Amanah Investment Bank Berhad (backed by MIDF Shariah Committee)

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5	Facility Agent	MIDF Amanah Investment Bank Berhad
6	Sukuk Trustee	Pacific Trustees Berhad
7	Security Trustee	Pacific Trustees Berhad
8	Central Depository	Bank Negara Malaysia
9	Paying Agent	Bank Negara Malaysia
10	Credit Rating Agency	RAM Rating Services Berhad

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

- (1) Name of facility : Islamic medium term notes ("Agroto ASEAN Sustainability SRI Sukuk") pursuant to an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Agroto ASEAN Sustainability SRI Sukuk Programme")
- (2) One-time issue or programme : Programme
- (3) Shariah principles (for sukuk) : 1. Murabahah (via Tawarruq arrangement)
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : The Agroto ASEAN Sustainability SRI Sukuk Programme pursuant to which the Issuer may from time to time issue the Agroto ASEAN Sustainability SRI Sukuk (provided that the aggregate outstanding Agroto ASEAN Sustainability SRI Sukuk shall not exceed RM300,000,000.00 in nominal value at any time), as follows:
- (i) the Agroto ASEAN Sustainability SRI Sukuk may be issued in one or more tranches (each of such issuance shall be referred to as a "**Tranche**") where each Tranche may or may not have the same issue date; and
- (ii) each Tranche may comprise one or more series where all the series under each Tranche have the same issue date but each having different maturity dates (each a "**Series**"). For the avoidance of doubt, a "Series" means such Agroto ASEAN Sustainability SRI Sukuk with the same issue date and the same maturity date.
- The first tranche of the Agroto ASEAN Sustainability SRI Sukuk shall be up to RM200,000,000.00 in nominal value and shall have a tenure of five (5) years

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(**"Tranche 1"**).

The issuance of the Agroto ASEAN Sustainability SRI Sukuk under the Agroto ASEAN Sustainability SRI Sukuk Programme shall be effected as follows:

(i) Pursuant to the Sukukholders Service Agency Agreement ("**Sukukholders SAA**") to be entered into between the Sukuk Trustee on behalf of the holders of the Agroto ASEAN Sustainability SRI Sukuk ("**Sukukholders**"), and the Facility Agent, the Sukuk Trustee shall appoint the Facility Agent without fee, as the *Wakeel* (agent) of the Sukukholders (in such capacity, the "**Sukukholders' Purchase and Sale Agent**") to purchase and sell the Shariah-compliant commodities which shall include, but are not limited to, crude palm oil and such other acceptable commodities (excluding ribawi items in the category of mediums of exchange such as currency, gold and silver) ("**Commodities**") which are provided through the commodity trading platform, Bursa *Suq Al-Sila'* or any other recognised commodity trading platform acceptable to the Shariah Adviser in accordance with the terms of the Sukukholders SAA. The Sukukholders SAA shall include the authority by the Sukukholders to the Facility Agent to appoint the commodity trading participant ("**CTP**") as its sub-*Wakeel* (sub-agent) to purchase the Commodities from the commodity supplier(s) ("**Commodity Supplier**").

(ii) Pursuant to the Issuer Service Agency Agreement ("**Issuer SAA**") to be entered into between the Issuer and the Facility Agent, the Issuer shall appoint the Facility Agent without fee, as the *Wakeel* (agent) of the Issuer (in such capacity, the "**Issuer's Purchase and Sale Agent**") to purchase and sell the Commodities in accordance with the terms of the Issuer SAA, including the issuance of a purchase order ("**Purchase Order**"). The Issuer SAA shall include the authority by the Issuer to the Facility Agent to appoint the CTP as its sub-*Wakeel* (sub-agent) to sell the Commodities to Bursa Malaysia Islamic Services Sdn Bhd ("**BMIS**").

(iii) Pursuant to (i) the commodity *Murabahah* master agreement to be entered into between the Issuer through the Issuer's Purchase and Sale Agent in such capacity as the buyer ("**Commodity Buyer**") and the Sukuk Trustee (on behalf of the Sukukholders) through the Sukukholders' Purchase and Sale Agent in such capacity as the seller ("**Commodity Seller**") ("**Commodity Murabahah Master Agreement**"), and (ii) the Issuer SAA in relation to the issuance of the Purchase Order, the Commodity Buyer (on behalf of the Issuer) shall issue the Purchase Order to the Commodity Seller (on behalf of the Sukukholders) with an irrevocable and unconditional undertaking to purchase the Commodities from the Commodity Seller (on behalf of the Sukukholders) at the Deferred Sale Price (as defined below).

(iv) Pursuant to the CTP purchase agency agreement to be entered into between the Commodity Seller (on behalf of the Sukukholders) and the CTP ("**CTP Purchase Agency Agreement**"), the Commodity Seller (on behalf of the Sukukholders) through the CTP as its sub-*Wakeel* (sub-agent) shall purchase the Commodities on spot basis from the Commodity Supplier at Bursa *Suq Al-Sila'* or any other recognised commodity trading platform acceptable to the Shariah Adviser at a purchase price equivalent to the proceeds of the Agroto ASEAN Sustainability SRI Sukuk ("**Commodity Purchase Price**"). The Commodity Purchase Price shall be in line with the asset pricing requirements stipulated under the Guidelines on LOLA Framework.

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(v) The Issuer shall issue the Agroto ASEAN Sustainability SRI Sukuk under the Agroto ASEAN Sustainability SRI Sukuk Programme to the Sukukholders. The Agroto ASEAN Sustainability SRI Sukuk proceeds received from the Sukukholders shall be used to pay the Commodity Purchase Price whereby the Agroto ASEAN Sustainability SRI Sukuk shall evidence the Sukukholders' undivided ownership of the Commodities and its entitlement to receive the Deferred Sale Price once the Commodities are sold to the Commodity Buyer (on behalf of the Issuer) by the Commodity Seller on its behalf.

(vi) Pursuant to the commodity sale and purchase agreement to be entered into between the Commodity Seller (on behalf of the Sukukholders) and the Commodity Buyer (on behalf of the Issuer) ("**Commodity Sale and Purchase Agreement**"), upon acquiring the Commodities, the Commodity Seller (on behalf of the Sukukholders) shall sell the Commodities to the Commodity Buyer (on behalf of the Issuer) at the "**Deferred Sale Price**" which is equivalent to the Commodity Purchase Price plus the profit margin and shall be payable on a deferred payment basis upon the terms of the Commodity Sale and Purchase Agreement.

(vii) Pursuant to the CTP sale agency agreement to be entered into between the Commodity Buyer (on behalf of the Issuer) and the CTP ("**CTP Sale Agency Agreement**"), upon acquiring the Commodities from the Commodity Seller (on behalf of the Sukukholders), the Commodity Buyer (on behalf of the Issuer) through the CTP as its sub-*Wakeel* (sub-agent), shall immediately sell the Commodities to BMIS or any other recognised commodity buyer (other than the Commodity Supplier) on spot basis for cash, equivalent to the Commodity Purchase Price.

(viii) The Issuer shall make periodic profit payments ("**Periodic Profit**") on the relevant periodic profit payment dates forming part of the Deferred Sale Price to the Sukukholders during the tenure of the relevant Series of the Agroto ASEAN Sustainability SRI Sukuk. Each such payment shall pro-tanto reduce the obligation of the Issuer on the Deferred Sale Price payable to the Sukukholders.

(ix) At (i) the maturity date of the relevant Series of the Agroto ASEAN Sustainability SRI Sukuk; or (ii) upon declaration of an Event of Default (as defined in the section entitled "*Events of default or enforcement events, where applicable, including recourse available to investors*") of the relevant Tranche; or (iii) the early redemption date, whichever is the earlier, the Issuer shall pay the relevant Sukukholders all amounts then outstanding on the relevant Deferred Sale Price (subject to any *Ibra'*, if applicable) as final settlement of the same, upon which the relevant Series of the Agroto ASEAN Sustainability SRI Sukuk shall be cancelled.

(x) Pursuant to the Bank Guarantee (as defined in the section entitled "*Details of guarantee, if applicable*"), Sabah Development Bank Berhad ("**SDB**") shall irrevocably and unconditionally guarantee, to the Security Trustee (on behalf of the Sukukholders), the payment of the Deferred Sale Price in respect of Tranche 1, less all profit margin in relation thereto, upon a declaration of an Event of Default.

(xi) Pursuant to a guarantee which may be provided by a Guarantor (as defined in the section entitled "*Details of guarantee, if applicable*") in respect of Tranches other than Tranche 1, the Guarantor shall irrevocably and unconditionally guarantee to the Security Trustee (on behalf of the Sukukholders), the payment of up to the Deferred Sale Price (subject to *Ibra'*) in respect of such Tranche, which

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the Guarantor shall pay upon the declaration of an Event of Default of the relevant Tranche.

- (5) Currency : Ringgit
- (6) Expected facility/  
programme size : Up to MYR 300,000,000.00
- (7) Option to upsize (for : No  
programme)
- (8) Tenure of facility/  
programme : 15 year(s)
- (9) Availability period for:  
debt/ sukuk  
programme : The Agroto ASEAN Sustainability SRI Sukuk shall be available for issuance upon completion of the Transaction Documents and fulfilment of the conditions precedent of the Agroto ASEAN Sustainability SRI Sukuk Programme to the satisfaction of the Principal Adviser/Lead Arranger (unless otherwise waived or deferred by the Principal Adviser/Lead Arranger) provided that the first issuance of the Agroto ASEAN Sustainability SRI Sukuk shall be issued within sixty (60) business days from the date of lodgement with the Securities Commission Malaysia ("**SC**") or any other extended dates approved by the SC.
- (10) Clearing and  
settlement platform : Payments Network Malaysia Sdn Bhd ("**PayNet**")
- (11) Mode of issue : ☒ Private/direct placement  
☒ Bought deal  
☒ Book building
- (12) Selling restrictions : (i) At issuance:  
☒ Part I of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)  
☒ Part I of Schedule 7 of the CMSA  
☒ Read together with Schedule 9 of CMSA  
☒ Section 2(6) of the Companies Act 2016  
(ii) After issuance:  
☒ Part I of Schedule 6 of the CMSA  
☒ Read together with Schedule 9 of CMSA  
☒ Section 2(6) of the Companies Act 2016

Additional Notes:

Selling restrictions at issuance:



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The Agroto ASEAN Sustainability SRI Sukuk may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons to whom an offer or invitation to subscribe to the Agroto ASEAN Sustainability SRI Sukuk may be made and to whom the Agroto ASEAN Sustainability SRI Sukuk are issued would fall within Section 2(6) of the Companies Act, 2016 (as amended from time to time), Part I of Schedule 6 and Part I of Schedule 7 of the CMSA read together with Schedule 9 or Section 257(3) of the CMSA.

Selling restrictions thereafter:

The Agroto ASEAN Sustainability SRI Sukuk may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons to whom an offer or invitation to purchase the Agroto ASEAN Sustainability SRI Sukuk would fall within Section 2(6) of the Companies Act, 2016 (as amended from time to time) and Part I 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 300,000,000.00

Size in Ringgit which are non-tradable and non-transferable:  
Not applicable

Additional Notes:

The Agroto ASEAN Sustainability SRI Sukuk are tradable and transferable subject to the selling restrictions as provided in section entitled “*Selling restrictions*”.

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

Each Tranche of the Agroto ASEAN Sustainability SRI Sukuk issued under the Agroto ASEAN Sustainability SRI Sukuk Programme may or may not be secured which shall be mutually agreed between the Issuer and the Principal Adviser/Lead Arranger prior to the issuance of such Tranche under the Agroto ASEAN Sustainability SRI Sukuk Programme.

In respect of Tranche 1:

Tranche 1 of the Agroto ASEAN Sustainability SRI Sukuk Programme shall be secured by a first ranking assignment and charge over the Tranche 1 FSRA (as defined in the section entitled “*Details of designated account(s), if applicable*”) and the credit balances therein and a first ranking charge over the Permitted Investments (as defined in the section entitled “*Permitted investments, if applicable*”) in the relation to the Tranche 1 FSRA.

Additionally, the Issuer’s obligation in relation to the principal sum under Tranche 1 shall be guaranteed by an irrevocable and unconditional bank guarantee issued by SDB (“**Bank Guarantee**”), whereby SDB shall guarantee all payment obligations due, owing and payable by the Issuer in respect of the principal sum up to RM200,000,000.00 only.

For the avoidance of doubt, should an Event of Default occur after the Original BG Period (as defined in the section entitled “*Details of guarantee, if applicable*”), the Sukukholders of Tranche 1 would not have any recourse to SDB with regard to the Bank Guarantee.

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### Subsequent issuances:

Each subsequent Tranche may or may not be secured, which shall be agreed by the Issuer and the Principal Adviser/Lead Arranger prior to the issuance of such Tranche under the Agroto ASEAN Sustainability SRI Sukuk Programme.

(15) Details of guarantee, if applicable

Any Tranche of Agroto ASEAN Sustainability SRI Sukuk issued under the Agroto ASEAN Sustainability SRI Sukuk Programme may or may not be guaranteed. The Agroto ASEAN Sustainability SRI Sukuk may be guaranteed by such person or body corporate ("**Guarantor**") to be mutually agreed between the Issuer and the Principal Adviser/Lead Arranger prior to such issuance of Agroto ASEAN Sustainability SRI Sukuk under the Agroto ASEAN Sustainability SRI Sukuk Programme.

### In respect of Tranche 1:

Tranche 1 shall be guaranteed by the Bank Guarantee, whereby SDB shall guarantee all payment obligations due, owing and payable by the Issuer in respect of the principal sum up to RM200,000,000.00 only.

Upon the declaration of an Event of Default, any demand on the Bank Guarantee must be made in writing by the Security Trustee during the Bank Guarantee period, being five (5) years from the effective date of the Bank Guarantee ("**Original BG Period**"), with an automatic extension of seven (7) business days immediately after the expiry of the Original BG Period, provided that the Event of Default occurs on the last day of the Original BG Period.

In the event of an occurrence of an event of default under the terms and conditions of the Bank Guarantee, SDB shall be entitled, by written notice to the Security Trustee, to require the Security Trustee, within thirty (30) business days commencing from the receipt of such notice, to issue a written demand on the Bank Guarantee.

Payment by SDB will be made within seven (7) business days from the date of receipt of the written demand from the Security Trustee.

### In respect of the subsequent Tranches:

Such financial or bank guarantee (if any) from such person or body corporate to be determined by the Principal Adviser/Lead Arranger and agreed upon by the Issuer (each a Guarantor) of each subsequent Tranches prior to the said issuances.

Where any Tranche of the Agroto ASEAN Sustainability SRI Sukuk are to be guaranteed by the Guarantor other than Tranche 1, an irrevocable and unconditional guarantee shall be provided by the Guarantor in favour of the Security Trustee (for and on behalf of the Sukukholders) whereby the Guarantor guarantees the Issuer's payment obligation up to the Deferred Sale Price (subject to *Ibra'*) in respect of such Tranche and irrevocably and unconditionally undertakes, as a continuing obligation to the Security Trustee (for and on behalf of the Sukukholders), that if for any reason and at any time and from time to time upon the declaration of an Event of Default of the relevant Tranche, the Guarantor shall pay all the guaranteed sums upon receipt of the written demand delivered by the Security Trustee.

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

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

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

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

(20) Details of covenants : Positive Covenants

The Issuer shall comply with such positive covenants, so long as the Agroto ASEAN Sustainability SRI Sukuk under the Agroto ASEAN Sustainability SRI Sukuk Programme are outstanding, including but not limited to the following:

(a) obtain, maintain and comply with:

(i) the planning permission/development order or such other permission which are required for the development and construction of the Eligible Sustainable SRI Project (as defined in item (n) of the section entitled "*Other terms and conditions – Definitions*"); and

(ii) all approvals, authorisations, consents, rights, licences, approvals and permits as shall now or hereafter be required under applicable laws,

(1) to enable the Issuer lawfully to enter into, and exercise its rights and perform its obligations under the Transaction Documents;

(2) to maintain the due legality, validity, binding effect and enforceability of the Issuer's obligations under the Transaction Documents; and

(3) to enable the Issuer to own, operate and maintain the Eligible Sustainable SRI Project and its assets and carry on its business, and to perform its obligations under the Project Land (as defined in item (n) of the section entitled "*Other terms and conditions – Definitions*");

(b) exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices of the industry and in accordance with its constitutional documents;

(c) comply at all times with the provisions and perform its obligations under the Transaction Documents to which it is a party (including but not limited to redeeming the Agroto ASEAN Sustainability SRI Sukuk on the relevant maturity dates or any other date on which the Agroto ASEAN Sustainability SRI Sukuk are due and payable) and the terms and conditions of the Agroto ASEAN Sustainability SRI

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Sukuk Programme and ensure that it shall immediately notify the Sukuk Trustee in the event it is unable to fulfil or comply with any of the provisions of the Transaction Documents;

(d) utilise the proceeds of the Agroto ASEAN Sustainability SRI Sukuk only as permitted under the Transaction Documents which shall be Shariah-compliant;

(e) take all action and adopt appropriate practices diligently to ensure that its operation and business are operated and maintained in all material respects in accordance with applicable laws and government approvals;

(f) at its own cost and expense, take out and maintain at all times such relevant contracts of *takaful* contracts/insurance policies (with preference wherever possible to *takaful* contracts) as required for the Eligible Sustainable SRI Project;

(g) exercise all rights and remedies with due care and diligence, and shall, in the event of breach, to notify the Sukuk Trustee of such breach immediately and exercise such rights that are lawfully entitled to the Issuer to recover such losses and damages from the relevant counter party;

(h) prepare its financial statements on a basis consistently applied in accordance with generally accepted accounting standards and principles in Malaysia and those financial statements shall give a true and fair view of its results of the operations for the period to which the financial statements are made up and audited and certified by a firm of independent certified public auditors acceptable to the Sukuk Trustee;

(i) maintain an accounting system and records in compliance with applicable statutory requirements and in accordance with generally accepted accounting standards and principles in Malaysia which are adequate to record and reflect its operations and financial condition, keep proper books and accounting records at all times and provide the Sukuk Trustee and any person appointed by the Sukuk Trustee with prior notice to have access to such books and accounts to the extent permitted by law, regulations, rules and orders;

(j) comply with all applicable laws, regulations and guidelines to which it may be subject to, including but not limited to, all environmental laws;

(k) comply with all applicable provisions of the CMSA and/or the notes, circulars, conditions or guidelines issued by the SC, Bank Negara Malaysia ("**BNM**") and any other relevant regulatory authorities from time to time in relation to the Agroto ASEAN Sustainability SRI Sukuk Programme;

(l) pay and discharge all taxes, assessments and governmental charges or levies whatsoever imposed on it or on its income or profits or on any of its property and all taxes, assessments and governmental charges or levies that it has agreed to pay pursuant to any Transaction Document or government approval and all lawful claims relating thereto prior to the date on which penalties attach thereto, and shall timely file all returns relating thereto, except to the extent that any such tax, assessment, governmental charge, levy or claim is being contested in good faith and by appropriate proceedings (and where it is not required under applicable law to pay such taxes, assessments and governmental charges, levies or claims pending determination of the matter) and for which adequate segregated reserves have been established;

(m) preserve and maintain good and valid title to all of its assets, free and clear of

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any Security Interests (as defined in the section entitled “*Representations and warranties*”) other than Permitted Security Interests (as defined in the section entitled “*Negative covenants*”);

(n) open and maintain the Designated Accounts, pay all relevant amounts into such accounts and make all payments from such accounts only as permitted under the Transaction Documents and comply with the terms and conditions of the Transaction Documents in all matters concerning the Designated Accounts;

(o) open and maintain at all times the Trustees’ Reimbursement Account for Sukukholders’ Actions throughout the tenure of the Agroto ASEAN Sustainability SRI Sukuk Programme;

(p) comply with its obligations under the Central Securities Depository and Paying Agency Rules and, without prejudice to the generality of the foregoing, at all times maintain a paying agent with a specified office in Malaysia;

(q) procure the Facility Agent to notify the Sukuk Trustee 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 Agroto ASEAN Sustainability SRI Sukuk Programme;

(r) ensure that the provisions of the Information Memorandum (including any supplemental) do not contain any matter which is inconsistent with the provisions of the Transaction Documents and the terms and conditions of the Agroto ASEAN Sustainability SRI Sukuk Programme;

(s) deliver to the Sukuk Trustee, promptly on request, any information which the Sukuk Trustee may reasonably require in order to discharge its duties and obligations in accordance with the Trust Deed and the other relevant Transaction Documents to the extent permitted by law;

(t) at all times upon request by the Sukuk Trustee, execute or cause to be executed all such further documents and do all such further acts, as are reasonably necessary to give further effect to the terms and conditions of the Transaction Documents;

(u) comply at all times with the ASEAN Green Bond Standards, ASEAN Social Bond Standards and ASEAN Sustainability Bond Standards issued by ASEAN Capital Markets Forum, as revised or amended from time to time and the Sustainable and Responsible Investment (“**SRI**”) Sukuk Framework issued by the SC (“**SRI Sukuk Framework**”), as revised and amended from time to time; and

(v) any other positive covenants as advised by the Solicitors and mutually agreed between the Issuer and the Principal Adviser/Lead Arranger.

Negative covenants

The Issuer covenants that so long as the Agroto ASEAN Sustainability SRI Sukuk under the Agroto ASEAN Sustainability SRI Sukuk Programme are outstanding, it shall not, without the prior written consent of the Sukuk Trustee (acting on the instruction of the Sukukholders by way of special resolution):

(a) change the utilisation of the proceeds of the Agroto ASEAN Sustainability SRI Sukuk Programme from the purposes specified in the Transaction Documents or in the Information Memorandum;

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(b) create or attempt or permit or agree to subsist any Security Interests (other than Permitted Security Interests) over all or any of its property, assets, rights or undertaking, or enter into any other preferential arrangement with any person having a similar effect which is not a Permitted Security Interests.

**“Permitted Security Interests”** means:

- (i) Security Interests created pursuant to the Transaction Documents;
  - (ii) Security Interests created pursuant to the Permitted Indebtedness (as defined below) which shall include the second ranking assignment and charge to be created over the Tranche 1 FSRA in favour of SDB. For avoidance of doubt, the Sukukholders of Tranche 1 shall provide their upfront consent for the second ranking assignment and charge to be created over the Tranche 1 FSRA;
  - (iii) Security Interests created with the prior written consent of the Sukuk Trustee;
- or
- (iv) liens arising in the ordinary course of business by operation of law and not by way of contract.

(c) unless consented by the Guarantor of the respective Tranche, dispose, sell, transfer, lease or otherwise assign, deal with or dispose of all or any part of its business or all or any material part of its assets (or agree to do any of the foregoing) whether by a single transaction or by a number of transactions whether related or not, or permit a set off (other than by operation of law) or combination of accounts (in respect of its book debts), save and except for as permitted under the Agroto ASEAN Sustainability SRI Sukuk Programme and the Transaction Documents;

(d) except as required by applicable law, permit any amendment, supplement or variation to its constitution, in a manner which may be prejudicial to the interests of the Sukukholders;

(e) reduce its paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stock, or by consolidating, dividing or sub-dividing all or any of its shares, or by any other manner;

(f) incur or permit to exist any financial indebtedness or provide or permit to exist any guarantee or any assurance for financial loss where the Issuer is a guarantor or is liable to pay for the same thereunder other than the Permitted Indebtedness.

**“Permitted Indebtedness”** means:

- (i) the Agroto ASEAN Sustainability SRI Sukuk;
- (ii) any guarantee facilities taken for purposes of the Agroto ASEAN Sustainability SRI Sukuk Programme;
- (iii) financing facilities of up to RM5,000,000.00 in aggregate in respect of any hire purchase or leasing of equipment, goods or vehicles incurred or assumed by the Issuer for the purpose of the Eligible Sustainable SRI Project and as allowed under the guarantee facilities;
- (iv) financing facilities in respect of any performance bonds/guarantee and/or bank guarantee and/or standby letter of credit issued on behalf of the Issuer by any financial institution, which are required pursuant to the terms of the Eligible Sustainable SRI Project; and
- (v) any shareholders' loans/financings or advances which are subordinated;

(g) enter into any profit rate, currency or other derivative transaction except pursuant to the hedging programme as disclosed and approved by the Sukuk

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Trustee prior to the first issuance of the Agroto ASEAN Sustainability SRI Sukuk;

(h) enter into a transaction, whether directly or indirectly, with interested persons (including a director, major shareholder and chief executive or persons connected with them) unless:

(i) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons; and

(ii) with respect to transactions involving an aggregate payment or value equal to or greater than RM5,000,000.00, the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms,

provided that the Issuer certifies to the Sukuk Trustee that the transaction complies with sub-paragraph (i) above; where applicable, the Issuer has received and furnished to the Sukuk Trustee the certification referred to in sub-paragraph (ii) above; and the transaction has been approved by the board of directors or shareholders in accordance with the constitution of the Issuer as the case may require.

(i) enter into any contracts or transactions, other than:

(i) the Transaction Documents to which it is a party (or any amendment or supplemental agreement thereto), as provided for or permitted in the Transaction Documents or such other matters as incidental to the Transaction Documents;

(ii) on arm's length commercial terms and in the ordinary course of business of the Issuer; and

(iii) where such transaction would not have a Material Adverse Effect (as defined in item (n) of the section entitled "*Other terms and conditions – Definitions*");

(j) carry out any business or activity other than the authorised business or activities as set out in its constitution;

(k) enter into any consolidation or amalgamation with, or merger with or into, or transfer all or substantially all its assets to another entity or enter into any reconstruction, or winding up;

(l) voluntarily enter into, commence or institute for the dissolution or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer of the Issuer or any of its assets;

(m) grant any tenancy, license or right to occupy or otherwise, part with title to or possession of any of the Issuer's assets (unless otherwise provided for under the Transaction Documents or for the purposes in connection with the Proposed Other Business Ventures (as defined in item (n) of the section entitled "*Other terms and conditions – Definitions*"));

(n) declare or pay any dividend or make any distribution whether income or capital in nature to its directors, shareholders, related companies or associated companies or redeem or cancel via capital reduction any redeemable preference shares or make any repayments or payments (whether in relation to principal, profit/interest or otherwise);

(o) lend any money/provide financing or advance to any person other than its directors, officers or employees as part of their terms of employment and to contract counterparties pursuant to contracts entered into in the ordinary course of

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business; and

(p) any other negative covenants as advised by the Solicitors and mutually agreed between the Issuer and the Principal Adviser/Lead Arranger.

Financial Covenants

No financial covenant

Information Covenants

The Issuer shall comply with such information covenants so long as the Agroto ASEAN Sustainability SRI Sukuk under the Agroto ASEAN Sustainability SRI Sukuk Programme are outstanding, including but not limited to the following:

(a) supply and deliver to the Sukuk Trustee and the Credit Rating Agency:

(i) as soon as the audited financial statements are available, but in any event, within one hundred and eighty (180) days after the end of each financial year, copies of the financial statements of the Issuer in respect of such financial year audited and certified without qualification by the appointed auditor acceptable to the Sukuk Trustee;

(ii) as soon as the unaudited financial statements are available, but in any event within ninety (90) days after the end of each half year, copies of unaudited semi-annual financial statements for that half year of the Issuer prepared on a basis consistent with its audited financial statements;

(iii) promptly on request, such other information relating to the Issuer's affairs which the Sukuk Trustee may reasonably require in order to discharge its duties and obligations in accordance with the Trust Deed to the extent permitted by law;

(iv) promptly, copies of any other accounts, reports, notices, statements or circulars issued to the Issuer's shareholders which are material and substantial to or necessary for investors to make informed investment decisions; and

(v) allow the information stipulated in items (i) to (iv) above to be circulated by the Sukuk Trustee at its discretion to the registered Sukukholders and the Credit Rating Agency;

(b) promptly notify the Sukuk Trustee and the Credit Rating Agency of any change in the board of directors of the Issuer;

(c) promptly notify the Sukuk Trustee and the Credit Rating Agency of any litigation, arbitration or administrative proceeding pending or threatened against the Issuer;

(d) when the Issuer delivers its audited financial statements in accordance with sub-paragraph (a)(i) above, the Issuer shall supply to the Sukuk Trustee and the Credit Rating Agency, a certificate signed by two (2) directors of the Issuer certifying that:

(i) there did not exist or had not existed, from the date the Agroto ASEAN Sustainability SRI Sukuk were issued or the date of the previous certificate, as the case may be, any Event of Default (or if such event is in existence, specifying such event and the steps, if any, being taken to remedy it); and



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(ii) the Issuer has observed, performed and complied with all its obligations under the Transaction Documents and the terms and conditions of the Agroto ASEAN Sustainability SRI Sukuk Programme;

(e) immediately upon the Issuer becoming aware thereof, notify the Sukuk Trustee and the Credit Rating Agency of:

(i) any Event of Default;

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

(a) any amount secured or payable under the Agroto ASEAN Sustainability SRI Sukuk to become immediately payable;

(b) the Security Interests created under the Agroto ASEAN Sustainability SRI Sukuk Programme to become immediately enforceable; or

(c) any other right or remedy under the terms, provisions or covenants of the Agroto ASEAN Sustainability SRI Sukuk Programme or the Transaction Documents to become immediately enforceable;

(iii) any change in its withholding tax position;

(iv) any substantial change in the nature of the business of the Issuer or its Guarantor (where applicable);

(v) any change in the use of the proceeds arising from the Agroto ASEAN Sustainability SRI Sukuk and the details of such change in use as set out in the Transaction Documents;

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

(vii) any circumstance that has occurred that would materially prejudice the Issuer, the Guarantor or the Security Interests included in or created under the Transaction Documents;

(viii) a change in the name of the Guarantor;

(ix) any cessation of liability of the Guarantor for the payment of the whole or part of the moneys for which they were liable under the bank/financial guarantee;

(f) at the time of issuance and throughout the tenure of the Agroto ASEAN Sustainability SRI Sukuk Programme, make publicly available via a designated website, the information relating to the Issuer and the details of the Agroto ASEAN Sustainability SRI Sukuk Programme, of which the following information must be included:

(i) the overall SRI objectives that the Issuer intends to achieve;

(ii) the utilisation of proceeds from the issuance of the Agroto ASEAN Sustainability SRI Sukuk. Where all or part of the proceeds are used for refinancing, the Issuer must provide the amount of proceeds being allocated for refinancing and which Eligible Sustainable SRI Project to be refinanced;

(iii) the Eligible Sustainable SRI Project in which the proceeds will be allocated;

(iv) the details of the Eligible Sustainable SRI Project and to the extent possible, impact objectives from the Eligible Sustainable SRI Project;

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- (v) the processes used by the Issuer to evaluate and select the Eligible Sustainable SRI Project;
- (vi) the criteria used by the Issuer to identify and manage material environmental or social risks associated with the Eligible Sustainable SRI Project;
- (vii) the processes used by the Issuer to manage the proceeds from the issuance of the Agroto ASEAN Sustainability SRI Sukuk; and
- (viii) a statement that the Issuer has complied with the relevant environmental, social and governance standards or recognised best practices relating to the Eligible Sustainable SRI Project;
- (g) provide annual reporting and external review of such annual reporting (if any), on a website designated by the Issuer on the following:
  - (i) the original amount earmarked for the Eligible Sustainable SRI Project;
  - (ii) the amount utilised for the Eligible Sustainable SRI Project. The Issuer must report the use of proceeds at least on an annual basis until full allocation, and on a timely basis in the case of material developments;
  - (iii) the unutilised amount and where such unutilised amount is placed or invested pending utilisation; and
  - (iv) the list of the Eligible Sustainable SRI Project in which the proceeds from the Agroto ASEAN Sustainability SRI Sukuk Programme have been allocated to and a brief description of the Eligible Sustainable SRI Project and their impact or expected impact, including the key underlying methodology or assumptions used to determine the impact or expected impact;
- (h) at the time of the issuance and throughout the tenure of the Agroto ASEAN Sustainability SRI Sukuk Programme, make available on the designated website a copy of the report issued by the Independent External Reviewer on the eligibility of the Eligible Sustainable SRI Project and compliance with the requirements under the SRI Sukuk Framework, the ASEAN Green Bond Standards, the ASEAN Social Bond Standards and the ASEAN Sustainability Bond Standards. Such report shall include the Independent External Reviewer's credentials and scope of review conducted;
- (i) appoint an auditor and/or other third party to verify the Issuer's management of proceeds and ensure that the report produced by the auditor and/or other third party be made publicly available on a website designated by the Issuer at the time of the issuance of the Agroto ASEAN Sustainability SRI Sukuk; and
- (j) any other information covenants as advised by the Solicitors and mutually agreed between the Issuer and the Principal Adviser/Lead Arranger.

- (21) Details of designated account, if applicable :
- Name of account:  
Disbursement Account ("Disbursement Account")
- Parties responsible for opening the account:  
Issuer

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Parties responsible for maintaining/operating account:  
Security Trustee

Signatories to account:

Security Trustee

Sources of funds:

From the issuance of the Agroto ASEAN Sustainability SRI Sukuk, the proceeds shall be utilised in accordance with the Details on utilisation of proceeds by Issuer as defined in item (g) under section entitled "*Other terms and conditions*" where applicable and the balance proceeds shall be deposited into the Disbursement Account on the issue date.

Utilisation of funds:

The monies in the Disbursement Account shall be utilised for the Eligible Sustainable SRI Project in accordance with the Details on utilisation of proceeds by Issuer as defined in item (g) under section entitled "*Other terms and conditions*" and supported by documentary evidence to the satisfaction of the Security Trustee.

(22) Details of :  
designated account,  
if applicable

Name of account:  
Tranche 1 Finance Payment Account ("Tranche 1 FPA")

Parties responsible for opening the account:  
Issuer

Parties responsible for maintaining/operating account:  
Security Trustee

Signatories to account:  
Security Trustee

Sources of funds:

The following shall be deposited into the Tranche 1 FPA:

1. an initial deposit equivalent to at least an amount payable in respect of Tranche 1's Periodic Profit payment for the next twelve (12) months by the Issuer; and
2. the nominal amounts together with profit/returns received from Permitted Investments made from the Tranche 1 FPA.

Utilisation of funds:

The funds in the Tranche 1 FPA shall be used for the following purposes provided that no Event of Default has occurred:

1. to fulfil the Periodic Profit payment of Tranche 1 due under the Agroto ASEAN Sustainability SRI Sukuk Programme; and
2. for Permitted Investments.

(23) Details of :  
designated account,  
if applicable

Name of account:  
Tranche 1 Finance Service Reserve Account ("Tranche 1 FSRA")

Parties responsible for opening the account:  
Issuer

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Parties responsible for maintaining/operating account:  
Security Trustee

Signatories to account:  
Security Trustee

Sources of funds:  
The following shall be deposited into the Tranche 1 FSRA:

1. an initial deposit equivalent to at least an amount payable in respect of Tranche 1's Periodic Profit payment for the next six (6) months by the Issuer; and
2. the nominal amounts together with profit/returns received from Permitted Investments made from the Tranche 1 FSRA.

Utilisation of funds:  
The funds in the Tranche 1 FSRA shall be used for the following purposes:

1. to fulfil the Periodic Profit payment of Tranche 1 due under the Agroto ASEAN Sustainability SRI Sukuk Programme upon declaration of an Event of Default; and
2. for Permitted Investments.

For the avoidance of doubt, at least one (1) profit payment of the outstanding Tranche 1 shall be maintained at all times in Tranche 1 FSRA ("**Tranche 1 FSRA Minimum Required Balance**"). In the event the balance held in the Tranche 1 FSRA is less than the Tranche 1 FSRA Minimum Required Balance, the shortfall shall be topped up within seven (7) days by the Issuer. In the event that the balance held in the Tranche 1 FSRA exceeds the Tranche 1 FSRA Minimum Required Balance, the excess may be released to the Issuer. The Issuer shall assign and charge the Tranche 1 FSRA in favour of the Security Trustee on behalf of the Sukukholders under Tranche 1.

Additional Notes:  
For the purpose of clarity, the Issuer shall open and maintain the Shariah-compliant Designated Accounts with a financial institution rated at least AA3/AA- (or its equivalent) acceptable to the Principal Adviser/Lead Arranger and the Security Trustee.

Such other designated accounts may be opened as agreed between the Issuer and the Principal Adviser/Lead Arranger.

(24) 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)	AA1 (bg)	Indicative rating	Tranche 1	MYR 200,000,000.00

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Tranche 1 of Agroto ASEAN Sustainability SRI Sukuk shall be rated by RAM Rating Services Berhad.

Each subsequent issuance may be rated and/or unrated as the Issuer may decide prior to the issuance of the relevant tranche of the Agroto ASEAN Sustainability SRI Sukuk. In the event any issuance of Agroto ASEAN Sustainability SRI Sukuk is agreed to be rated, the Issuer shall ensure that a credit rating will be assigned by an appointed credit rating agency prior to an issuance of a rated Agroto ASEAN Sustainability SRI Sukuk.

- (25) Conditions precedent : The conditions precedent for the availability of the Agroto ASEAN Sustainability SRI Sukuk Programme, including but not limited to, all of which shall be in the form and substance to the satisfaction of the Principal Adviser/Lead Arranger:

**(I) Availability of the Agroto ASEAN Sustainability SRI Sukuk Programme**

**(A) Main Documentation:**

(1) The Transaction Documents and such other documents as may be advised by the Solicitors to the Principal Adviser/Lead Arranger (and agreed upon by the Issuer) shall have been executed and, where applicable, stamped or endorsed as being exempted from stamp duty and if applicable, presented for registration at the relevant registries;

(2) The notice of assignment, acknowledgement of the notice of assignment and consents (where applicable) from the account bank for the Tranche 1 FSRA shall have been made or received, as the case may be;

(3) Evidence that the prescribed forms (as prescribed under the Companies Act 2016), in respect of each of the relevant Security Documents have been presented for registration with the CCM and the power of attorney contained in the relevant Security Documents have been lodged with the High Court of Malaysia.

**(B) Issuer:**

(1) Receipt of certified true copies of the Issuer's certificate of incorporation, certificate of incorporation of change of name (if applicable) and its memorandum and articles of association or constitution, as the case may be;

(2) Receipt of certified true copies of the Issuer's latest Return of Allotment of Shares, Notice of Situation of Registered Office and Office Hours and Particulars of Changes, Return Giving Particulars in Register of Directors, Managers and Secretaries and Changes of Particulars, and Annual Returns or its equivalent as prescribed under the Companies Act 2016;

(3) Receipt of certified true copies of the board of directors' resolutions of the Issuer authorising, among others, the issuance of the Agroto ASEAN Sustainability SRI Sukuk under the Agroto ASEAN Sustainability SRI Sukuk Programme and the execution of the Transaction Documents and other documents to which it is a party;

(4) Receipt of a list of each of the Issuer's authorised signatories and their respective specimen signatures;

(5) Receipt of a report of the company search on the Issuer which revealed that

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there are no subsisting charges which have been registered with the Companies Commission of Malaysia which would adversely affect the interest of the Sukukholders, Principal Adviser/Lead Arranger or Lead Manager; and

(6) Receipt of a report of the winding-up search on the Issuer which revealed that that Issuer is not wound-up.

(C) General:

(1) Receipt of the acknowledgement from the SC in respect of the lodgement of the documents and information relating to the Agroto ASEAN Sustainability SRI Sukuk Programme in accordance with the Guidelines on LOLA Framework has been obtained;

(2) Evidence that the Designated Accounts have been opened in accordance with the provisions of the relevant Transaction Documents;

(3) Evidence that the Trustees' Reimbursement Account for Sukukholders' Actions has been opened in accordance with the provisions of the relevant Transaction Documents;

(4) Receipt of endorsement from the Shariah Advisory Council of the SC ("**SC SAC**") in respect of the Agroto ASEAN Sustainability SRI Sukuk;

(5) Receipt of endorsement from the Shariah Adviser that the structure and mechanism and the Transaction Documents of the Agroto ASEAN Sustainability SRI Sukuk Programme are in compliance with Shariah principles;

(6) Documentary evidence in form and substance satisfactory to the Principal Adviser/Lead Arranger that the category of land use in respect of the Eligible Sustainable SRI Project is "Agriculture" or such other category relevant for the use of farming;

(7) Receipt of certified true copies of all relevant *takaful* contracts/insurance policies for the Eligible Sustainable SRI Project;

(8) Receipt of a certified true copy of the environmental impact assessment report and the letter of no objection issued by the relevant Department of Environment in respect of Phase 1 of the Eligible Sustainable SRI Project as set out in the environmental impact assessment report, together with (i) a certificate from the Issuer confirming that arrangements have been made for the Issuer to comply with all applicable environmental laws and for all conditions under the environmental impact assessment to be satisfied and (ii) evidence that all conditions in the environmental impact assessment (which are required to have been met at such time) have been met and approved by the relevant Department of Environment;

(9) Receipt of legal opinion from the Solicitors acting for the Lead Arranger addressed to the Lead Arranger advising on the legality, validity, binding effect and enforceability of the relevant Transaction Documents and confirming that all the conditions precedent therein have been fulfilled or waived, as the case may be;

(10) Receipt of the external review report on the Agroto ASEAN Sustainability SRI Sukuk Programme from the Independent External Reviewer;

(11) Receipt of the legal due diligence report and legal due diligence opinion which shall be satisfactory to the Principal Adviser/Lead Arranger;

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(12) Receipt of confirmation from the Issuer that all amounts due and payable under the Transaction Documents including but not limited to all transaction fees, costs and expenses have been or will be paid in full;

(13) Receipt of evidence that all necessary approvals and consent have been obtained in respect of the Eligible Sustainable SRI Project, the Transaction Documents and/or the Agroto ASEAN Sustainability SRI Sukuk Programme; and

(14) Such other conditions precedent as may be advised by the Solicitors and mutually agreed between the Principal Adviser/Lead Arranger and the Issuer.

**(II) Prior to issuance of each Tranche of the Agroto ASEAN Sustainability SRI Sukuk under the Agroto ASEAN Sustainability SRI Sukuk Programme**

(1) Confirmation from the Issuer that all Representations and Warranties (as defined under the section entitled "*Representation and warranties*") remain true and correct;

(2) Receipt of certification from the Issuer that, inter alia, no Event of Default has occurred or would occur as a result from the utilisation of the Agroto ASEAN Sustainability SRI Sukuk Programme;

(3) Where applicable, receipt of documentary evidence that the Bank Guarantee or such other bank/financial guarantee has been issued in the form and substance acceptable to the Principal Adviser/Lead Arranger;

(4) Where applicable, the relevant Transaction Documents (being the Security Documents and the Islamic Transaction Documents (as defined in item (n) of the section entitled "*Other terms and conditions – Definitions*") of each particular Tranche) have been executed and, where applicable, stamped or endorsed as being exempted from stamp duty and if applicable, presented for registration at the relevant registries; and

(5) Such other conditions precedent as may be advised by the Solicitors and mutually agreed between the Principal Adviser/Lead Arranger and the Issuer.

**(III) In respect of Tranche 1 (in addition to (II) above)**

(1) Tranche 1 shall have received a final rating of at least AA1(bg) from the Credit Rating Agency;

(2) Receipt of the redemption statement from SDB;

(3) Receipt of documentary evidence that the Bank Guarantee from SDB has been issued; and

(4) Such other conditions precedent as may be advised by the Solicitors and mutually agreed between the Principal Adviser/Lead Arranger and the Issuer.

(26) Representations and warranties: Representations and warranties as advised by the Solicitors and mutually agreed between the Issuer and the Principal Adviser/Lead Arranger, which include but not limited to the following:

(a) the Issuer is a company limited by shares duly incorporated and validly existing under the laws of Malaysia, has full power, authority and legal right to own its property and assets and to carry on its business;

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(b) all necessary actions and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been or will be taken in order to authorise it to enter into and to exercise its rights and perform its obligations under the Transaction Documents to which it is a party;

(c) the Transaction Documents constitute, or when executed, will constitute, legal, valid, binding and subject to the general legal qualifications (where applicable) and enforceable obligations of the Issuer;

(d) the entry into the Transaction Documents to which it is a party or is to be a party and/or the performance by the Issuer of any of its obligations and/or the exercise by the Issuer of any of its rights under any such Transaction Document will not:

(i) conflict with any applicable laws by which the Issuer or its assets are bound or affected;

(ii) conflict with the constitutional documents of the Issuer;

(iii) conflict with any other Transaction Document or any other agreement which is binding upon the Issuer or any of its asset;

(iv) violate any government approval or any other governmental authorisation or any judgment applicable to the Issuer or the Eligible Sustainable SRI Project;

(v) result in or create any Security Interest (other than a Permitted Security Interest) or any restriction of any nature on any of the assets of the Issuer; or

(vi) cause any limitation on the Issuer or the powers of its directors, whether imposed by or contained in its constitutional documents or in applicable laws or otherwise, to be exceeded;

(e) other than as provided under the conditions precedent, no registration, recording, filing or notarisation of the Transaction Documents and no payment of any duty or tax and no other action whatsoever is necessary to ensure the legality, validity, binding effect or enforceability in Malaysia of the liabilities and obligations of the Issuer, or the rights of inter alia, the Sukukholders under the Transaction Documents in accordance with their terms;

(f) (i) no litigation, arbitration or administrative proceeding or claim or lawsuits is presently in progress or pending or instituted or, to the best of the knowledge, information and belief of the Issuer, threatened against the Issuer or any of its assets, except as has been disclosed in writing to the Sukuk Trustee and which could by itself or together with any other such proceeding or claim, if adversely determined would have a Material Adverse Effect and which has not been suspended, set aside, settled or had any defence entered in respect thereof by the Issuer within thirty (30) days of the service or notification thereof on the Issuer; and

(ii) no labour disputes are currently taking place or pending or, to the Issuer's knowledge, information and belief, threatened against the Issuer, which if adversely determined, would have a Material Adverse Effect;

(g) no step has been taken by or against the Issuer nor has any legal proceeding including a winding-up proceeding been commenced, instituted or threatened for the dissolution or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer in respect of the Issuer or any of its assets, which in the case of any proceeding undertaken by a person other than the Issuer or any of its shareholders, has not been discharged, suspended or set aside within thirty (30) days from the date of service of the notice for such



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proceeding;

(h) no Event of Default is continuing or would result from the establishment of the Agroto ASEAN Sustainability SRI Sukuk Programme and issuance of the Agroto ASEAN Sustainability SRI Sukuk thereunder or the performance of any transaction contemplated by any Transaction Document;

(i) the Issuer has, to the extent required by applicable laws and regulation, timely filed all tax returns that are required to be filed by it and has paid all taxes, fees and other charges properly imposed on it by any relevant governmental authority (other than taxes, fees and other charges the payment of which are not yet due or which are being contested in good faith and for which adequate, segregated reserves have been established);

(j) the Issuer's audited financial statements will be and are prepared in accordance with the generally accepted accounting standards and principles in Malaysia and give a true and fair view of its financial position and results of operation as at the end of the financial period to which they relate (and in particular disclose all material liabilities (actual or contingent));

(k) the Information Memorandum and any information in whatever form, document, statement or instrument furnished or to be furnished by the Issuer in connection thereto are true in all material respects and do not contain any statements or information that are false or misleading in any material respects and there is no material omission, and all or any projections in the Information Memorandum were honestly made on reasonable grounds after due and careful inquiry by the Issuer;

(l) no mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect ("**Security Interests**") exists over all or any part of the assets relating to the Eligible Sustainable SRI Project or the assets of the Issuer, which is not a Permitted Security Interests;

(m) the Issuer is in compliance and will comply with all applicable laws, guidelines, permits and regulations, including but not limited to all relevant environmental laws, permits and guidelines;

(n) in relation to the Eligible Sustainable SRI Project or the Issuer, to the best of the Issuer's knowledge and belief after making due and careful inquiry, there are no current, pending or threatened environmental claims or material complaints relating to environmental matters, in writing;

(o) there is no outstanding breach of any term of any Transaction Documents and no person has repudiated or disclaimed liability under any Transaction Documents or evidenced an intention to do so;

(p) the Issuer has fully disclosed in writing to the Sukuk Trustee all facts relating to the Issuer and the Eligible Sustainable SRI Project which it knows about or should reasonably know and which are material for disclosure to, inter alia, the Principal Adviser/Lead Arranger and the Sukukholders with respect to the Transaction Documents;

(q) the Issuer's payment obligations under the Transaction Documents, shall at all times, in respect of the Agroto ASEAN Sustainability SRI Sukuk which are secured, rank pari passu in all respects amongst themselves and in respect of the Agroto

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ASEAN Sustainability SRI Sukuk which are unsecured, rank pari passu in all respects amongst themselves; and rank at least pari passu with the claims of all its unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law generally;

(r) there is no dispute in connection with any agreement which has not been disclosed to the Sukuk Trustee which would have a Material Adverse Effect;

(s) (i) the execution by the Issuer of each Transaction Document to which it is a party constitutes, and the exercise by the Issuer of its rights and performance of its obligations under each Transaction Document to which it is a party will constitute, private and commercial acts done and performed for private and commercial purposes; and

(ii) neither the Issuer nor any of its assets are entitled to any immunity or privilege from any set off, judgment, suit, execution, attachment or other legal process in any proceedings taken in Malaysia in relation to any Transaction Document to which it is a party;

(t) no step has been taken by the Issuer, or any of its shareholders or any other person on its/their behalf, or to the best of its knowledge and belief, by its creditors, to commence or threaten any legal proceedings or applications under Section 366 of the Companies Act 2016 against the Issuer;

(u) all *takaful* contracts/insurance policies which are required to be maintained or effected by it pursuant to the Transaction Documents have been effected and are in full force and effect, and:

(i) all *takaful* contributions/insurance premium due and payable have been paid and no event or circumstance has occurred, nor has there been any omission to disclose a fact, which would in either case has made or could make any such *takaful* contracts/insurance policies void or voidable or entitle any *takaful* contracts/insurance policies to avoid or otherwise reduce its liability under such *takaful* contracts/insurance policies and *retakaful* contracts/reinsurance policies; and

(ii) there are no *takaful* contracts/insurance policies arranged, procured or maintained by the Issuer that are not disclosed to the Sukuk Trustee;

(v) that the Eligible Sustainable SRI Project is in compliance with the ASEAN Green Bond Standards, ASEAN Sustainability Bond Standards, ASEAN Social Bond Standards and the SC's SRI Sukuk Framework; and

(w) any other representations and warranties as may be advised by the Solicitors and mutually agreed between the Principal Adviser/Lead Arranger and the Issuer.

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- (27) Events of defaults or : Events of default as advised by the Solicitors and mutually agreed between the  
enforcement events, Issuer and the Principal Adviser/Lead Arranger, which include, but subject to  
where applicable, appropriate thresholds, exclusions and carve-outs as agreed in the Trust Deed, the  
including recourse following and any event which, upon the giving of notice and/or the lapse of time  
available to and/or the issue of a certificate as applicable, would constitute an Event of Default  
investors (“**Event of Default**”):

**(a) General Events of Default**

(i) the Issuer fails to pay any amount payable by it under the Agroto ASEAN Sustainability SRI Sukuk Programme on its due date for payment or on demand. For the avoidance of doubt, the failure to pay any amounts due under a particular Tranche shall not trigger a default under other Tranches, unless there is a failure to pay under such Tranches;

(ii) the Issuer does not pay any amount payable by it under a Transaction Document (other than as described in paragraph (i) above);

(iii) the Issuer fails to perform its obligations (other than the payment obligations specified under sub-paragraphs (i) and (ii) above and the obligations specified under sub-paragraphs (v) and (vi) below) including without limitation any of the financial undertakings contained in the Transaction Documents to which it is a party or under any undertaking or arrangement entered into in connection therewith and, in the case of a failure which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of time as set out in the Transaction Documents after the Issuer became aware or has been notified of the failure, whichever is earlier;

(iv) any step is taken for the winding up, dissolution or liquidation of the Issuer or a resolution is passed for the winding up of the Issuer or a petition for winding up is presented against the Issuer and the Issuer has not taken any action in good faith to oppose or set aside such petition within thirty (30) days from the date of service of such winding up petition or a winding up order has been made against the Issuer;

(v) the Issuer convenes a meeting of its creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any substantial part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any substantial part of its indebtedness or any assignment is made for the benefit of its creditors (other than for the purposes of and followed by a reconstruction which has been approved in writing by the Sukuk Trustee, unless during or following such reconstruction, the Issuer becomes or is declared to be insolvent) or where a scheme of arrangement under Section 366 of the Companies Act 2016 has been instituted against the Issuer;

(vi) there has been a breach by the Issuer of any obligation under its existing or future contractual obligations, which would have a Material Adverse Effect and in the case of a breach which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of thirty (30) days after the Issuer became aware or having been notified in writing by the Sukuk Trustee of the breach, whichever is earlier;

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(vii) any indebtedness for borrowed moneys/financing or guarantee of the Issuer becomes due and payable prior to its stated maturity or is not discharged at maturity or where the security created for such indebtedness for borrowed moneys/financing becomes immediately enforceable;

(viii) the Issuer is deemed unable to pay any of its debts within the meaning of Section 466(1) of the Companies Act 2016 or becomes unable to pay any of its debts generally as they fall due or suspends or threatens to suspend making payments with respect to all or any class of its debts;

(ix) the Issuer or any of its shareholders changes or threatens to change the nature or scope of any substantial part of the Issuer's business, or suspends or ceases, or threatens to suspend or cease, to carry on all or a part of the Issuer's business which it now conducts directly or indirectly;

(x) any governmental authority takes, or provides official notice that it intends to take, any step with a view to the seizure, expropriation, nationalisation or compulsory acquisition (whether or not for fair compensation) of the Issuer (or any shares in the Issuer) or all or substantial part of the Eligible Sustainable SRI Project or the undertakings, rights or revenues of the Issuer;

(xi) (A) any governmental authorisation is revoked, terminated, withheld, invalidated, cancelled or not renewed or modified or amended or a notice of violation is issued under any governmental authorisation by the issuing agency or other governmental instrumentality having jurisdiction thereover, or any proceeding is commenced by any governmental instrumentality for the purpose of modifying, revoking, terminating, withholding, invalidating or cancelling any governmental authorisation and in each case in a manner which has or would reasonably be expected to give rise to a Material Adverse Effect;

(B) any licence for the Eligible Sustainable SRI Project is revoked, terminated, withheld, invalidated, cancelled or not renewed or ceases to be in full force and effect without a substitute licence being issued therefor within one hundred and eighty (180) days of such revocation, termination, withholding, invalidation, cancellation, non-renewal, or cessation;

(C) any licence for the Eligible Sustainable SRI Project is modified or amended and the effect of such modification or amendment would be to prevent the implementation or carrying out of the Eligible Sustainable SRI Project by the Issuer or in the opinion of the Sukuk Trustee has or would reasonably be expected to give rise to a Material Adverse Effect; and

(D) any condition or provision of any licence for the Eligible Sustainable SRI Project is not complied with and such non-compliance has not been remedied or waived in writing (in each case) within thirty (30) days of its occurrence;

(xii) the Issuer ceases to be the sole, lawful and beneficial owner of, or to have good title to, all or a material part of the assets of the Issuer, or ceases to be the sole party entitled to the revenues generated by the Eligible Sustainable SRI Project, in each case, save as provided in the Transaction Documents;

(xiii) the Issuer repudiates any of the Transaction Documents to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;

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(xiv) any other event or series of events occurs which has, or in the reasonable opinion of the Sukuk Trustee, is likely to have, a Material Adverse Effect;

(xv) any representation or warranty made by the Issuer under any provision of the Transaction Documents to which it is a party or any information, notice, opinion or certificate or other document delivered pursuant to the terms of the Transaction Documents proves to have been incorrect or misleading in any material respect as of the date at which such representation or warranty is made or repeated, or the date at which such information, notice, opinion, certificate or other document is delivered (in each case) by reference to the facts and circumstances existing at such date, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within thirty (30) days of the earlier of the date on which (i) the Sukuk Trustee gives notice to the Issuer to do so and (ii) the Issuer becomes aware of such misrepresentation;

(xvi) (A) any Transaction Document ceases to be in full force and effect or ceases to be effective to create the Security Interests or to provide the priority of security purported to be created thereunder; or

(B) for whatever reason, any of the Security Interests created under any Transaction Document cannot be enforced or is in jeopardy or rendered invalid or defective in any way;

(xvii) the Issuer fails to comply with any environmental law or governmental authorisation issued under an environmental law which has or would reasonably be expected to give rise to a Material Adverse Effect in the opinion of the Sukuk Trustee; and

(xviii) any other events of default as may be advised by the Solicitors and mutually agreed between the Principal Adviser/Lead Arranger and the Issuer.

**(b) Specific Events of Default for Tranche 1**

(i) SDB has served a notice on the Sukuk Trustee to require the Sukuk Trustee to make a demand or claim on the Bank Guarantee;

(ii) the Bank Guarantee ceases to be, or is claimed by SDB not to be, in full force and effect;

(iii) it is or will become unlawful for SDB to perform or comply with any one or more of its obligations under the Bank Guarantee;

(iv) a resolution being passed or an order of court is made that SDB would be wound up or similar proceedings which are reasonably determined by the Sukuk Trustee to be analogous in effect being instituted or a bona fide petition (which for the avoidance of doubt, excludes vexatious or frivolous petitions) is presented for the winding up or dissolution of SDB by an order of a court of competent jurisdiction unless an application to stay, withdraw or dismiss such petition has been filed by SDB with the relevant authority within thirty (30) days of its presentation and such petition is stayed, withdrawn or dismissed within forty five (45) days of its presentation;

(v) SDB ceases to carry on its business operations as carried out as at the date of the Transaction Documents;

(vi) SDB stops or threatens to stop payment in respect of its obligations generally

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or any other debenture of or monies borrowed/financing or any guarantee or indemnity given by SDB is not honoured when due and called upon or any indebtedness of SDB for borrowed monies/financing becomes due or payable or capable of being declared due or payable prior to its stated maturity by reason of a default by SDB in its obligations in respect of the same, or SDB fails to make any payment in respect thereof on the due date for such payment or if due on demand when demanded or the security for any such indebtedness becomes enforceable or any guarantee or similar obligations of SDB is not discharged at maturity or when called provided that the aggregate amount of SDB's obligations in respect of which one or more of the events set out herein in this section has occurred equals or exceeds RM100,000,000.00;

(vii) SDB repudiates the Bank Guarantee or does or causes to be done any act or thing evidencing an intention to repudiate the Bank Guarantee;

(viii) SDB is unable to pay its debts within Section 466(1) of the Companies Act 2016 and the Guarantor has not taken any action in good faith to set aside such claims within thirty (30) days from the date of service of such claims for payment;

(ix) an event of default occurs under the Bank Guarantee documents;

(x) the credit rating assigned to SDB is downgraded to BBB or below for whatsoever reason by any credit rating agency; and

(xi) any other events of default as may be advised by the Solicitors and mutually agreed between the Principal Adviser/Lead Arranger, SDB and the Issuer.

**(c) Specific Events of Default for other Tranches with bank/financial guarantee**

(i) any Guarantor has served a notice on the Sukuk Trustee to require the Sukuk Trustee to make a demand or claim on any of the bank/financial guarantee;

(ii) the bank/financial guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect;

(iii) it is or will become unlawful for the Guarantor to perform or comply with any one or more of its obligations under the bank/financial guarantee respectively;

(iv) a resolution being passed or an order of court is made that the Guarantor would be wound up or similar proceedings which are reasonably determined by the Sukuk Trustee to be analogous in effect being instituted or a bona fide petition (which for the avoidance of doubt, excludes vexatious or frivolous petitions) is presented for the winding up or dissolution of the Guarantor by an order of a court of competent jurisdiction unless an application to stay, withdraw or dismiss such petition has been filed by the Guarantor with the relevant authority within thirty (30) days of its presentation and such petition is stayed, withdrawn or dismissed within forty five (45) days of its presentation;

(v) the Guarantor ceases to carry on its business operations as carried out as at the date of the Transaction Documents;

(vi) the Guarantor stops or threatens to stop payment in respect of its obligations generally or any other debenture of or monies borrowed/financing or any guarantee or indemnity given by the Guarantor is not honoured when due and called upon or any indebtedness of the Guarantor for borrowed monies/financing becomes due or

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payable or capable of being declared due or payable prior to its stated maturity by reason of a default by the Guarantor in its obligations in respect of the same, or the Guarantor fails to make any payment in respect thereof on the due date for such payment or if due on demand when demanded or the security for any such indebtedness becomes enforceable or any guarantee or similar obligations of the Guarantor is not discharged at maturity or when called provided that the aggregate amount of the Guarantor's obligations in respect of which one or more of the events set out herein in this section has occurred equals or exceeds RM100,000,000.00;

(vii) the Guarantor repudiates the bank/financial guarantee or does or causes to be done any act or thing evidencing an intention to repudiate the bank/financial guarantee;

(viii) the Guarantor is unable to pay its debts within Section 466(1) of the Companies Act 2016 and the Guarantor has not taken any action in good faith to set aside such claims within thirty (30) days from the date of service of such claims for payment; and

(ix) an event of default occurs under the bank/financial guarantee documents; and

(x) any other events of default as may be advised by the Solicitors and mutually agreed between the Principal Adviser/Lead Arranger, the Guarantor and the Issuer.

Upon the occurrence of an Event of Default under the Agroto ASEAN Sustainability SRI Sukuk Programme, the Sukuk Trustee may and shall, if instructed by the Sukukholders of the relevant Tranche of the Agroto ASEAN Sustainability SRI Sukuk, declare that an Event of Default has occurred in respect of the relevant Tranche whereupon all amounts outstanding under the Agroto ASEAN Sustainability SRI Sukuk Programme in respect of that Tranche (including the relevant Deferred Sale Price (subject to *Ibra'*)) shall become immediately due and payable by the Issuer and all provisions of the Transaction Documents relating to that Tranche shall be immediately enforceable.

For the avoidance of doubt, the declaration of an Event of Default under a particular Tranche shall not by itself trigger a default under the other Tranches, unless there is an Event of Default under such Tranches.

Upon the maturity of the outstanding Agroto ASEAN Sustainability SRI Sukuk of the relevant Tranche and in the event that the Issuer fails to pay any amounts thereunder, the Sukuk Trustee shall immediately declare that an Event of Default has occurred in respect of the relevant Tranche without further reference to the relevant Sukukholders and in respect of Tranche 1, shall forthwith submit a claim on the Bank Guarantee before the end of the same business day; and in respect of all Tranches other than the Tranche 1, shall forthwith but not later than seven (7) business days after the relevant maturity date submit a claim on such bank/financial guarantee (if applicable).

For the avoidance of doubt, should an Event of Default occur after the Original BG Period, the Sukukholders of Tranche 1 would not have any recourse to SDB with regard to the Bank Guarantee.

For the purpose of this paragraph, references to "substantial" shall mean such business, property or assets of the Issuer, the book value of which is more than

## **Agroto Business (M) Sdn Bhd**

**Islamic medium term notes (Agroto ASEAN Sustainability SRI Sukuk) pursuant to an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) (Agroto ASEAN Sustainability SRI Sukuk Programme)**

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10% of the Issuer's net assets, company level or consolidated level (if the Issuer's audited financial statements are prepared on a consolidated basis), whichever is lower. For the avoidance of doubt, the book value of the business, property or assets is as reflected in the Issuer's latest yearly audited financial statements or the latest semi-annual unaudited financial statements, where applicable.



**Islamic medium term notes (Agroto ASEAN Sustainability SRI Sukuk) pursuant to an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) (Agroto ASEAN Sustainability SRI Sukuk Programme)**

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- (28) Governing laws : Laws of Malaysia.
- (29) 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 Agroto ASEAN Sustainability SRI Sukuk at any price in the open market or by private treaty and such Agroto ASEAN Sustainability SRI Sukuk purchased by the Issuer or its subsidiaries or its agent(s) shall be cancelled by the Issuer and cannot be resold.
- Any of the Agroto ASEAN Sustainability SRI Sukuk acquired in the open market or by private treaty by the Issuer's related corporations (other than the Issuer's subsidiaries) or interested persons (who shall include directors, major shareholders and chief executive) need not be cancelled but shall not entitle them to participate in the voting of any Sukukholders' resolution nor form part of the quorum of any meeting subject to any exceptions in the Guidelines on Trust Deeds issued by the SC on 12 July 2011 (effective on 12 August 2011) and revised on 23 July 2020 (as may be amended from time to time) ("**Trust Deeds Guidelines**").
- (30) Provisions on early redemption, if applicable : At the option of the Issuer and subject to consent of the Sukukholders by way of special resolution.
- Any Agroto ASEAN Sustainability SRI Sukuk which are redeemed by the Issuer shall be cancelled and shall not be reissued or resold.
- (31) Voting : Any matters which require the Sukukholders' consent, approval, instruction and/or direction under the Agroto ASEAN Sustainability SRI Sukuk Programme shall be carried out on a per Tranche basis by the requisite resolution (as determined under the Trust Deed) of the Sukukholders of such Tranche.
- (32) Permitted investments, if applicable : Permitted Investments shall be Shariah-compliant investment products approved by the SC SAC and/or BNM's Shariah Advisory Council and/or such other recognised Shariah authorities as follows:
- (a) Accounts maintained with a Shariah-compliant financial institution with a minimum credit rating of AA3/P1 and/or AA-/MARC-1;
- (b) Islamic fixed deposit, Islamic bankers acceptances, Islamic accepted bills, and other Islamic money market instruments issued by Shariah-compliant financial institution with a minimum credit rating of AA3/P1 and/or AA-/MARC-1; and
- (c) Islamic treasury bills, Islamic money market instruments, and other Islamic instruments or sukuk issued by BNM or the Government of Malaysia,
- subject to the following:
- (a) The Permitted Investments being denominated in Ringgit Malaysia; and
- (b) Such funds utilised for the Permitted Investments, including the profits/returns on the Permitted Investments, shall be remitted into the relevant Designated Accounts.

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- (33) Ta'widh (for ringgit-denominated sukuk) : In the event of any delay in payments of the relevant Deferred Sale Price under the Agroto ASEAN Sustainability SRI Sukuk Programme, the Issuer (as the Commodity Buyer) shall pay to the relevant Sukukholders, *Ta'widh* (compensation) on such delay in payment at the rate and in the manner prescribed by the SC's SAC from time to time in accordance with Shariah.

Any compensation referred to above which is paid to the Sukukholders, can be treated and/or utilised by the Sukukholders at their sole and absolute discretion.

- (34) *Ibra'* (for ringgit-denominated sukuk) : An *Ibra'*, where applicable, shall be granted by the relevant Sukukholders on the relevant Deferred Sale Price, if the Agroto ASEAN Sustainability SRI Sukuk are redeemed before the maturity date or upon the declaration of an Event of Default ("**Event of Default Declaration Date**") of the relevant Tranche, where applicable.

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

*Ibra'* shall be calculated as follows:

(a) In the case of the Agroto ASEAN Sustainability SRI Sukuk with Periodic Profit and issued at a discount:  
The aggregate of the unearned Periodic Profit amount and the unearned discounted amount.

(b) In the case of the Agroto ASEAN Sustainability SRI Sukuk without Periodic Profit and issued at a discount:  
The unearned discounted amount.

(c) In the case of the Agroto ASEAN Sustainability SRI Sukuk with Periodic Profit and issued at par:  
The unearned Periodic Profit amount.

(d) In the case of the Agroto ASEAN Sustainability SRI Sukuk with Periodic Profit and issued at a premium:  
The unearned Periodic Profit amount.

The *Ibra'* in relation to (a), (b), (c) and (d) above, shall be calculated from the date of redemption of the relevant Agroto ASEAN Sustainability SRI Sukuk or the Event of Default Declaration Date, as the case may be, up to the relevant maturity date.

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

- (35) Kafalah (for ringgit-denominated sukuk) : Please refer to the section entitled "*Details of guarantee, if applicable*".

- (36) Waivers from complying with Guidelines on Unlisted Capital Market Products under the Lodge and : None.

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Launch Framework  
and other relevant  
guidelines of the SC  
obtained for the  
facility/programme, if  
any

## AGROTO BUSINESS (M) SDN BHD

Islamic medium term notes ("Agroto ASEAN Sustainability SRI Sukuk") under an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of *Murabahah* (via *Tawarruq* Arrangement) ("Agroto ASEAN Sustainability SRI Sukuk Programme")

### Other Terms and Conditions

(1) **Other Terms and Conditions**

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|---|--|
| <b>(a) Identified assets</b>                            | The Commodities which are available through the commodity trading platform, Bursa <i>Suq Al-Sila'</i> or any other recognised commodity trading platform acceptable to the Shariah Adviser.  |
| <b>(b) Purchase and selling price</b>                   | <p>The Commodity Purchase Price is a price equivalent to the proceeds of the Agroto ASEAN Sustainability SRI Sukuk, which shall be in compliance with the asset pricing requirements under the Guidelines on LOLA Framework.</p> <p>The Deferred Sale Price is a price equivalent to the Commodity Purchase Price plus the profit margin and shall be payable on deferred payment basis.</p> |
| <b>(c) Profit rate (fixed or floating)</b>              | The profit rate for the Agroto ASEAN Sustainability SRI Sukuk shall be fixed, and will be determined and agreed between the Issuer and the Lead Manager for each Tranche prior to each issuance of the relevant Tranche of the Agroto ASEAN Sustainability SRI Sukuk.  |
| <b>(d) Profit payment frequency</b>                     | The Periodic Profit shall be payable semi-annually in arrears with the first Periodic Profit to be made six (6) months from the issue date of the Agroto ASEAN Sustainability SRI Sukuk with the last Periodic Profit for the Agroto ASEAN Sustainability SRI Sukuk to be made on the maturity date.   |
| <b>(e) Profit payment basis</b>                         | Actual/365 days.   |
| <b>(f) Issue price</b>                                  | The Agroto ASEAN Sustainability SRI Sukuk under the Agroto ASEAN Sustainability SRI Sukuk Programme may be issued at par, premium or discount to the nominal value and the issue price shall be determined prior to the issuance.  |
| <b>(g) Details on utilisation of proceeds by Issuer</b> | <p>The proceeds of the Agroto ASEAN Sustainability SRI Sukuk shall be utilised by the Issuer for the following purposes:</p> <p>(i) payment of all fees, guarantee commission and expenses in relation to the Agroto ASEAN Sustainability SRI Sukuk Programme, the Bank Guarantee or such other bank/financial guarantee;</p>  |

## AGROTO BUSINESS (M) SDN BHD

Islamic medium term notes (“Agroto ASEAN Sustainability SRI Sukuk”) under an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of *Murabahah* (via *Tawarruq* Arrangement) (“Agroto ASEAN Sustainability SRI Sukuk Programme”)

- (ii) to prefund the relevant minimum required balance for any designated accounts opened in relation to the Agroto ASEAN Sustainability SRI Sukuk Programme and the facility taken for issuance of the Bank Guarantee or such other bank/financial guarantee in relation to the Agroto ASEAN Sustainability SRI Sukuk Programme;
- (iii) to fund the Trustees’ Reimbursement Account for Sukukholders’ Actions as required under the Trust Deeds Guidelines for a sum equivalent to RM100,000.00;
- (iv) payment/reimbursement of capital expenditures of the Issuer in relation to the Eligible Sustainable SRI Project, save for land clearing, subject to a margin of financing to be agreed by the Issuer, the Guarantor (if applicable) and the Lead Arranger;
- (v) to refinance/payment of existing borrowings and future Islamic financing facilities/shareholders’ advances taken for purposes of the Eligible Sustainable SRI Project; and/or
- (vi) the balance (if any) shall be utilised to meet the working capital requirements of the Issuer in relation to the Eligible Sustainable SRI Project.

### (h) Status

The Agroto ASEAN Sustainability SRI Sukuk shall constitute direct, unconditional, unsubordinated and secured or unsecured (as the case may be) obligations of the Issuer. Each of the Agroto ASEAN Sustainability SRI Sukuk which are secured shall at all times rank *pari passu* without discrimination, preference or priority amongst themselves and each of the Agroto ASEAN Sustainability SRI Sukuk which are unsecured shall at all time rank *pari passu* without discrimination, preference or priority amongst themselves. The Agroto ASEAN Sustainability SRI Sukuk shall rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time, subject to those preferred by law.

### (i) Form and denomination

The Agroto ASEAN Sustainability SRI Sukuk will be issued in bearer form and represented at all times by global certificates to be deposited with BNM (exchangeable for definitive certificates only in limited circumstances as provided in the Trust Deed) and will be prescribed and reported under PayNet Rules and Procedures (as defined in item (m) of the section entitled “*Other terms and conditions – Definitions*”).

## AGROTO BUSINESS (M) SDN BHD

Islamic medium term notes ("Agroto ASEAN Sustainability SRI Sukuk") under an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of *Murabahah* (via *Tawarruq* Arrangement) ("Agroto ASEAN Sustainability SRI Sukuk Programme")

### Denomination:

The Agroto ASEAN Sustainability SRI Sukuk shall be issued in the denomination of RM1,000,000.00 each and in multiples of RM1,000,000.00 thereof or such other denomination as may be mutually agreed between the Issuer and the Facility Agent at the time of issuance.

### **(j) Taxation**

All payments by the Issuer shall be made without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of the Government of Malaysia or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law, in which event the Issuer shall be required to make payment of such additional amount so that the payee would receive the full amount which the payee would have received if no such withholding or deduction is made.

### **(k) Tenure of the Agroto ASEAN Sustainability SRI Sukuk**

Each Series of the Agroto ASEAN Sustainability SRI Sukuk shall be issued for a tenure of at least one (1) year and up to fifteen (15) years provided always that each Series of the Agroto ASEAN Sustainability SRI Sukuk shall mature on or prior to the expiry of the tenure of the Agroto ASEAN Sustainability SRI Sukuk Programme.

### **(l) Trustees' Reimbursement Account for Sukukholders' Actions**

The Sukuk Trustee shall open and maintain an account designated as "Trustees' Reimbursement Account for Sukukholders' Actions" as required under the Trust Deeds Guidelines, in which a sum of RM100,000.00 is to be deposited. The Trustees' Reimbursement Account for Sukukholders' Actions shall be operated by the Sukuk Trustee and the monies shall only be used strictly by the Sukuk Trustee for the purpose of carrying out its duties in relation to the occurrence of events of default which are provided in the Trust Deed.

The sum of RM100,000.00 in the Trustees' Reimbursement Account for Sukukholders' Actions shall be maintained at all times throughout the tenure of the Agroto ASEAN Sustainability SRI Sukuk Programme.

For the avoidance of doubt, the proceeds for the Trustees' Reimbursement Account for Sukukholders' Actions shall be derived from the issuance proceeds for the first issuance under the Agroto ASEAN Sustainability SRI Sukuk Programme.

### **(m) Jurisdiction**

The Issuer shall unconditionally and irrevocably submit to the exclusive jurisdiction of the courts of Malaysia.

Islamic medium term notes (“Agroto ASEAN Sustainability SRI Sukuk”) under an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of *Murabahah* (via *Tawarruq* Arrangement) (“Agroto ASEAN Sustainability SRI Sukuk Programme”)

(n) Definitions

<b>Eligible Sustainable SRI Project</b>	<p>The Issuer’s sustainable and modern integrated farming operations.</p> <p>The Eligible Sustainable SRI Project is aligned with the following green and social project categories:</p> <ol style="list-style-type: none"><li>(1) Under Chapter 7, Part 3, Section B of the Guidelines on LOLA Framework:<ol style="list-style-type: none"><li>(A) Preserving and protecting the environment and natural resources under paragraph 7.07(a);</li><li>(B) Improving the quality of life of the society under paragraph 7.07(f);</li><li>(C) Environmentally sustainable management of living natural resources and land use under paragraph 7.08(a)(iv); and</li><li>(D) Food security under paragraph 7.08(b)(v);</li></ol></li><li>(2) Environmentally sustainable management of living natural resources and land use under the paragraph 4.1.5(iv) of the ASEAN Green Bond Standards issued by ASEAN Capital Markets Forum, as revised or amended from time to time; and</li><li>(3) Food security under paragraph 4.1.6(v) of the ASEAN Social Bond Standards issued by ASEAN Capital Markets Forum, as revised or amended from time to time.</li></ol>
<b>Material Adverse Effect</b>	<p>Any event or circumstances the occurrence of which has resulted in, or will likely result in a material adverse effect on:</p> <ol style="list-style-type: none"><li>(a) the ability of the Issuer to perform or comply with any of its obligations under the Transaction Documents in accordance with the terms thereof; or</li><li>(b) the validity, legality, binding effect or enforceability of the Transaction Documents or to any of the Security Interests granted pursuant thereto or to any of the rights or remedies of any secured party thereunder; or</li><li>(c) the operations, business condition, property, assets, liabilities or financial condition of the Issuer.</li></ol>
<b>PayNet Rules and Procedures</b>	<p>Collectively, the following:</p> <ol style="list-style-type: none"><li>(a) the Participation and Operation Rules for Payment and Securities Services issued by PayNet;</li></ol>

## AGROTO BUSINESS (M) SDN BHD

Islamic medium term notes (“Agroto ASEAN Sustainability SRI Sukuk”) under an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of *Murabahah* (via *Tawarruq* Arrangement) (“Agroto ASEAN Sustainability SRI Sukuk Programme”)

- (b) the Operational Procedures for Securities Services issued by PayNet; and
- (c) the Operational Procedures for Malaysian Ringgit (MYR) Settlement in Real-time Electronic Transfer of Funds and Securities System (“**RENTAS**”) issued by PayNet;

or their replacement thereof applicable from time to time.

### **Project Land**

A parcel of land measuring approximately 2,596.18 acres in Mukim of Hulu Kinta and Sungai Raia, District of Kinta and Mukim of Teja, District of Kampar, Perak Darul Ridzuan.

### **Proposed Other Business Ventures**

Means future business ventures that may be undertaken by the Issuer, either solely or collectively with prospective partner(s), for the development of commercial, agrotourism and/or other identified projects within the Project Land which shall be in line with the objects of the Issuer as provided in its constitution.

### **Security Documents**

Means collectively, the following:

- (1) the assignment and charge over the Tranche 1 FSRA; and
- (2) such other documents or agreements as advised by the Solicitors in connection with the Agroto ASEAN Sustainability SRI Sukuk Programme.

### **Transaction Documents**

Means collectively, the following:

- (1) the Programme Agreement;
- (2) the Trust Deed;
- (3) the Security Trust Deed;
- (4) the Securities Lodgement Form for Central Securities Depository and Paying Agency Services;
- (5) the Security Documents;
- (6) each Subscription Agreement;
- (7) the Islamic Transaction Documents (as defined below); and
- (8) such other documents or agreements (including the security documents and the bank/financial guarantee) as advised by the Solicitors in connection with the Agroto ASEAN Sustainability SRI Sukuk Programme.



## AGROTO BUSINESS (M) SDN BHD

Islamic medium term notes (“Agroto ASEAN Sustainability SRI Sukuk”) under an Islamic medium term notes programme of up to RM300,000,000.00 in nominal value under the Shariah principle of *Murabahah* (via *Tawarruq* Arrangement) (“Agroto ASEAN Sustainability SRI Sukuk Programme”)

The Islamic Transaction Documents shall include but not limited to the following documents:

- (1) Sukukholders SAA;
- (2) Issuer SAA;
- (3) Commodity Murabahah Master Agreement;
- (4) CTP Purchase Agency Agreement(s);
- (5) CTP Sale Agency Agreement(s);
- (6) Purchase Order(s); and
- (7) Commodity Sale and Purchase Agreement(s).

**(o) Details of the Eligible Sustainable SRI Project**

The Issuer commenced the construction on the first phase of its Eligible Sustainable SRI Project in 2013, which was completed in 2014. The first phase of the project was constructed on 70 acres of the Project Land and produces slightly over 700 tonnes of highland vegetables per month. This first phase was partly financed via credit facilities provided by SDB.

The Eligible Sustainable SRI Project’s second phase began in 2016, and was completed in 2017, adding approximately 30 acres of planted area in the Project Land. This expansion has increased the Issuer’s total production of highland vegetables to approximately 1,000 tonnes per month. The Issuer plans to further expand its operations to increase its output to at least over 1,400 tonnes per month with a total planted acreage of over 141 acres.

The Issuer’s crops are grown with a combination of modern controlled environment farming (“**CEF**”) and conventional open field cultivation (“**OFC**”) methods. The Issuer plans to increase crop types and production by expanding its CEF production capacity in phases. CEF enables the use of less water, fertilisers, pesticides and land to put into producing the same amount of food as compared to the conventional OFC. Apart from contributing to decreasing greenhouse gas emissions, the Issuer’s CEF gives it the ability to produce consistent crop yields and premium quality fresh farm produce throughout the year.

**(p) Impact objectives from the Eligible Sustainable SRI Project**

The impact objectives from the Eligible Sustainable SRI Project are as follows:

- (1) to facilitate and promote sustainable and responsible investments in Malaysia which are in line with the initiative set out under the SC’s Capital Market Masterplan 2 and further promote and enhance Malaysia’s value proposition as a centre for Islamic finance and sustainable investments;

## AGROTO BUSINESS (M) SDN BHD

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- (2) the Eligible Sustainable SRI Project is expected to lower the environmental impact of farming activities and protect the surrounding ecosystem by using modern farming technology that increases the efficiency of land, water and fertiliser use and minimises the usage of pesticides that are harmful to the environment;
- (3) the Eligible Sustainable SRI Project and the Issuer has been accredited with the Global Good Agricultural Practices (Global GAP) certification, Malaysian Certification Scheme for Good Agricultural Practices (MyGAP), Hazard Analysis Critical Control Point (HACCP) and Good Manufacturing Practices (GMP). Furthermore, the produce from the Eligible Sustainable SRI Project have been certified Halal by Jabatan Kemajuan Islam Malaysia (JAKIM). Consequently, the Eligible Sustainable SRI Project is anticipated to contribute towards enhancing quality of life of the society by providing high quality, safe, hygienic and nutritious agriculture products; and
- (4) the Eligible Sustainable SRI Project is expected to be instrumental in supporting national priorities regarding food security and safety, and environmental sustainability as set forth in the Mid-Term Review of the Eleventh Malaysia Plan (11MP) and the country’s revised socioeconomic targets for 2018-2020.

**(q) Independent external reviewer of the Agroto ASEAN Sustainability SRI Sukuk Programme**

The Issuer has appointed Malaysian Rating Corporation Berhad as the independent external reviewer, to provide an external review report in relation to the Agroto ASEAN Sustainability SRI Sukuk Programme framework.