

Other terms and conditions

- (a) A description of the structure of the securitisation transaction : The Sukuk Murabahah Programme is being established pursuant to a securitisation transaction whereby the Issuer is a special purpose bankruptcy remote vehicle set up to acquire all the rights, benefits, titles and interests to and under Islamic Financing Agreements from time to time.

Such Islamic Financing Agreements are to be acquired from the Originator pursuant to the Originator's power to dispose of the same as vested in the Originator under the SPA. The Sukuk Murabahah Programme shall comprise the Sukuk Murabahah to be issued under the Shariah principle of Murabahah (via *Tawarruq* arrangement).

- (b) Receivables : The Receivables are the amounts due to be paid to the participating cooperative society(ies)/ foundation(s)/ corporation(s) by the Individual Customers based on the Acquired Islamic Financing Agreements for each tranche.

- (c) Eligibility Criteria : The Acquired Islamic Financing Agreements (including the Receivables thereunder, where applicable) must meet the following criteria ("**Eligibility Criteria**") as of the date of the sale of the Acquired Islamic Financing Agreements:

(i) It can be absolutely transferred by way of beneficial ownership from the cooperative society(ies)/ foundation(s)/corporation(s) to the Issuer as directed by the Originator;

(ii) It has arisen and is covered under:-

(a) the relevant agreement that represents the entire agreement between the relevant participating cooperative society(ies)/foundation(s)/corporation(s) and the Individual Customer; and

(b) the agreement(s) that represent(s) the entire agreement between the Originator, the relevant participating cooperative society(ies)/foundation(s)/ corporation(s) and the Issuer.

(iii) The Individual Customer must be a member/customer of any of the following:-

(a) participating cooperative society(ies)/foundation(s)/ corporation(s); or

(b) other cooperative society(ies)/foundation(s)

/corporation(s) to be agreed with Credit Rating Agency from time to time.

- (iv) Evidence that the payment by the Individual Customer has been approved and accepted for deduction at source by the Collection Agent;
- (v) At least the first monthly instalment payment of the Receivable has been received from the Collection Agent under the salary deduction scheme approved by the Collection Agent;
- (vi) The Individual Customer must be a citizen and resident of Malaysia and to the best knowledge of the Originator, is not a person identified in the records of the Originator as (a) being or having been the subject of bankruptcy proceedings or is an undischarged bankrupt; (b) having been convicted of any offence capable of resulting in imprisonment; (c) being deceased; or (d) being a retiree;
- (vii) The repayment and all other amounts to be accrued and/or to be realized thereof shall be payable in Ringgit Malaysia;
- (viii) The original tenor shall not be more than the maximum tenor allowable from time to time;
- (ix) The relevant Individual Customer's agreement provides for settlement of amounts due from the Individual Customer by equal monthly instalments save and except for the final instalment and the Originator and/or the relevant participating cooperative society(ies)/foundation(s)/corporation(s) has not waived any material terms of the relevant Individual Customer's agreement from the date of the initial creation thereof;
- (x) It is not a defaulted Receivable in respect of which instalments are (a) more than nine (9) months in arrears on a cumulative basis; and/or (b) where the first instalment has been received, the instalments are more than three (3) months in arrears on a consecutive basis;
- (xi) It is a Receivable where no payment in respect of the Receivable scheduled to be received after the relevant issue date of the Sukuk Murabahah has been received on or before such relevant issue date and that, to the best knowledge of the Originator, the Individual Customer has not exercised or indicated an intention to

exercise any option of early settlement/prepayment, any right of rescission, set-off, counterclaim or defence (including the defence of usury);

- (xii) It is not included in any other pool of receivables for the purpose of any other financing facility nor has it previously been sold/transferred to the Issuer for purposes of the Sukuk Murabahah Programme and/or to any other third parties;
- (xiii) It is and will at all relevant times be capable of being segregated and identified for ownership purposes;
- (xiv) It is not the subject of any adverse claim or set-off or security claim by any party and no circumstances exist, to the best of knowledge of the Originator, which would give the Individual Customer the right to refuse to make any payment under the relevant Individual Customer's agreement;
- (xv) It is a Receivable where the relevant Individual Customer's agreement and all other documents relating to it, have been duly authorised and executed, are in full force and effect, and constitute legal, valid and binding obligations of the relevant Individual Customer enforceable against the relevant Individual Customer in accordance with their terms;
- (xvi) It is a Receivable where there is no prohibition or restriction on, or requirement for consent to be obtained or notice to be given (other than pursuant to Section 4(3) of the Civil Law Act 1956) for, any assignment, transfer or sale of the receivable;
- (xvii) In addition to the Eligibility Criteria described herein, the Islamic Financing Agreements sold during the revolving period shall be subject to a minimum weighted average profit rate to be determined prior to the issuance of the relevant tranche; and
- (xviii) Others as may be determined and agreed upon after the legal and financial due diligence has been carried out.

(d) Collateralisation : The collateralisation ratio of the Sukuk Murabahah shall be the aggregate outstanding principal balance of the Receivables under Acquired Islamic Financing Agreements to the nominal value of the relevant Class(es) of the Sukuk Murabahah under the relevant tranche.

The applicable collateralisation ratio required to be met for each tranche shall be determined and specified by the Credit Rating Agency prior to issuance of the relevant tranche.

For the avoidance of doubt, the collateralisation ratio is only required to be met for the purpose of the issuance of each tranche and is not required to be maintained for the tenure of the relevant tranche.

(e) Roles of Servicer : Pursuant to a servicing agreement entered or to be entered into between the Servicer and the Issuer for each Tranche ("**Servicing Agreement**"), the Servicer will be responsible for servicing and administering the Acquired Islamic Financing Agreements and its responsibilities shall include, but not be limited to the following:-

- (i) To ensure the Collection Proceeds are remitted into the RA (as defined in the section entitled "Details of Account(s)") from the Collection Accounts;
- (ii) The keeping of records, books, accounts and data in relation to each Receivable under the Acquired Islamic Financing Agreement;
- (iii) Where any payment in respect of any Receivable forming part of the Acquired Islamic Financing Agreement is not made on the due date for payment, investigating the cause of the delay thereof and taking steps to recover such payment;
- (iv) Assist to calculate the applicable collateralisation ratio prior to issuance of the relevant tranche;
- (v) Provision of monthly servicer report to the Issuer, Facility Agent, Credit Rating Agency and Sukuk Trustee setting forth, among other things, the total collections including prepayments, delinquencies and defaults; and certain portfolio performance statistics of the Receivables, if any and where applicable; and
- (vi) Any other duties stipulated under the Servicing Agreement to be entered between the Issuer and the Servicer.

The detailed roles of the Servicer will be documented in the Servicing Agreement.

(f) Servicer : The Servicer, pursuant to the Servicing Agreement, will

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endeavour to maximise Collection Proceeds (as defined in the section entitled “Details of Account(s)”) and will receive as compensation for its services:

(1) Servicer Fee

A servicer fee which shall be determined prior to the issuance of the relevant tranche of the Sukuk Murabahah (“**Servicer Fee**”). If the Servicer or the Replacement Servicer is the Originator or a related corporation of the Originator (as the case may be), the Servicer Fee is non-cumulative in nature and non-payment of any amount due under the same shall not be carried forward into the next payment date.

(2) Servicer Bonus

If applicable, after all the Sukuk Murabahah under the relevant tranche have been fully paid and sufficient amount has been set aside for the winding-up cost of the Issuer and/or any other amounts due and payable by the Issuer, a percentage specified in the Issue Documents of any funds remaining in the Designated Accounts for the relevant tranche of the Sukuk Murabahah may be paid to the Servicer as servicer bonus in accordance with the applicable provisions in the Issue Documents (“**Servicer Bonus**”).

The Servicer Fee and the Servicer Bonus are collectively known as the “**Servicer Remuneration**”.

For the avoidance of doubt, non-payment of the Servicer Remuneration or any part thereof where the Servicer is the Originator or a related corporation of the Originator shall not constitute an Event of Default. Further, if a Replacement Servicer is appointed, the Servicer Remuneration shall be on arms’ length terms as agreed between the Issuer, the Sukuk Trustee and the Replacement Servicer.

(g) Servicer Default : If any of the following events (each, a “**Servicer Event of Default**”) occurs:

- (a) the Servicer fails to perform any of its obligations under the Servicing Agreement or breaches any of the terms of the Servicing Agreement (including the representations and warranties) and (except where in the opinion of the Issuer such failure is not capable of remedy) does not cure such default within fourteen (14) days after the earlier of (i) receipt of written notice thereof from the Issuer; and (ii) the Servicer having actual knowledge thereof;

- (b) a default by the Servicer on its other indebtedness, borrowings, financial obligations or any liquidation instituted against the Servicer which (i) is capable of being remedied and the Servicer does not remedy such default within thirty (30) days after the Servicer became aware or having been notified of such default; and (ii) may materially affect its ability to fulfil its obligations under the Servicing Agreement;
- (c) any indebtedness of the Servicer to the Issuer is not paid after a period of thirty (30) days as notified by the Issuer in writing; or
- (d) any other events as may be agreed in the Servicing Agreement,

then the Issuer or the Sukuk Trustee is to appoint a person acceptable to the Credit Rating Agency to replace the Servicer (the **"Replacement Servicer"**).

- (h) Status of Sukuk Murabahah : The Sukuk Murabahah shall constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and within each Class of the Sukuk Murabahah of each tranche, rank pari passu without discrimination, preference or priority amongst themselves and for all Classes of the Sukuk Murabahah, rank at least pari passu with all other present and future unsecured obligations of the Issuer from time to time (subject to those preferred by law).

As between the Classes under the First Tranche, the Sukuk Murabahah are ranked in the following descending order of priority:-

- (i) Class A Sukuk Murabahah;
- (ii) Class B Sukuk Murabahah; and
- (iii) Class C Sukuk Murabahah.

For Subsequent Tranche(s), the relevant Classes of Sukuk Murabahah (whereby seniority within such tranche of Sukuk Murabahah shall be designated alphabetically in descending order of seniority) shall be determined prior to each issuance.

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- (i) Form and Denomination : The Sukuk Murabahah will be issued in accordance with (1) the Participation and Operation Rules for Payment and Securities Services ("**PayNet Rules**") issued by PayNet and (2) the Operational Procedures for Securities Services and the Operational Procedures for RENTAS issued by PayNet ("**PayNet Procedures**"), as amended or substituted from time to time by the relevant authority(ies) (collectively the "**PayNet Rules and Procedures**")

Form

Each series of the Sukuk Murabahah shall be represented by a global certificate (exchangeable for definitive certificates on the occurrence of certain limited events) to be deposited with BNM and shall be in bearer form.

The Sukuk Murabahah shall be prescribed and be reported under the PayNet Rules and Procedures as applicable from time to time.

Denomination

Each series of the Sukuk Murabahah shall be issued in denomination and multiples of RM1,000 thereof or such other denominations as may be allowed by PayNet at the time of issuance.

- (j) Trustees' Reimbursement Account : The Issuer shall open and maintain a Shariah-compliant account designated as "Trustees' Reimbursement Account for Sukukholders' Actions" (as required under the SC's Trust Deeds Guidelines) with the name of the Issuer as the prefix to the name of the said account, in which a sum of RM30,000.00 is to be deposited. The Trustees' Reimbursement Account shall be operated by the Sukuk Trustee and the monies therein shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of events of default or enforcement events which are provided in the trust deed. The sum of RM30,000.00 in the Trustees' Reimbursement Account shall be maintained at all times throughout the tenure of the Sukuk Murabahah Programme.
- (k) Details on Utilisation of Proceeds : The proceeds from the First Tranche of the Sukuk Murabahah shall be utilized by the Issuer for the following Shariah-compliant purposes:

Proposed utilisation of proceeds	(up to RM'000)
(a) To meet the purchase consideration of the Acquired Islamic Financing Agreements	To be determined ⁽¹⁾

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(b) To meet the Minimum Required Profit Balance under the FSRA (as defined in the section entitled "Details of Account(s)")	To be determined ⁽²⁾
(c) To reimburse the Originator all the expenses (including deposit paid into the Trustee's Reimbursement Account) and/or to meet all expenses in connection with the Sukuk Murabahah Programme	To be determined ⁽³⁾

Note:

- (1) *The amount is to be determined based on the SPA to be entered into prior to the issuance of the First Tranche of the Sukuk Murabahah.*
- (2) *The actual amount is to be determined prior to the issue date of the First Tranche of the Sukuk Murabahah and is subject to the agreed profit rates of the Sukuk Murabahah. If any amount allocated for the purpose set out in item (b) above is not fully utilised for such purpose, then such unutilised amount shall be utilised for the purpose set out in item (c) above and/or deposited into the RA (as defined in the section entitled "Details of Account(s)").*
- (3) *If any amount allocated for the purpose set out in item (c) above is not fully utilised for such purpose, then such unutilised amount shall be utilised for the purpose set out in item (b) above and/or deposited into the RA.*

The proceeds from the Subsequent Tranche(s) shall be determined prior to the issuance of the relevant tranche and in any event, shall be utilized for Shariah-compliant purposes which includes:

Proposed utilisation of proceeds	(up to RM'000)
(a) To meet the purchase consideration of the Acquired Islamic Financing Agreements	To be determined ⁽¹⁾
(b) To meet the Minimum Required Profit Balance under the FSRA	To be determined ⁽²⁾
(c) To set aside such amounts required to meet the operating expenses of the Issuer and/or the expenses incurred for issuance of Sukuk	To be determined ⁽³⁾

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Murabahah under the Sukuk Murabahah Programme, where applicable	
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Note:

- (1) *The amount is to be determined based on the SPA to be entered into for the relevant tranche of the Sukuk Murabahah.*
- (2) *The actual amount is to be determined prior to issuance of the relevant tranche of the Sukuk Murabahah and is subject to the agreed profit rates of the relevant tranche of the Sukuk Murabahah. If any amount allocated for the purpose set out in item (b) above is not fully utilised for such purpose, then such unutilised amount shall be utilised for the purpose set out in item (c) above and/or deposited into the RA.*
- (3) *If any amount allocated for the purpose set out in item (c) above is not fully utilised for such purpose, then such unutilised amount shall be utilised for the purpose set out in item (b) above and/or deposited into the RA.*

The Originator will use the proceeds received from the Issuer to settle the purchase consideration of the Acquired Islamic Financing Agreements for the relevant tranche from the relevant cooperative society(ies)/ foundation(s)/ corporations(s).

Note:

The settlement of the purchase consideration of Acquired Islamic Financing Agreements to the relevant cooperative society(ies)/ foundation(s)/ corporations(s) shall be settled by way of cash.

- (I) Profit/Coupon/Rental Rate : The profit rate for each tranche of the Sukuk Murabahah shall be on a fixed basis and will be determined prior to the issuance of the relevant tranche.

In the event the Issuer has insufficient funds to pay the profit for the most junior Class of Sukuk Murabahah on the profit payment date for that particular tranche (which would only be payable (in full or in part) upon full redemption of the senior Class(es) Sukuk Murabahah for that particular tranche), the unpaid portion of the same shall be deferred, whereby the Issuer shall request for deferment by giving a deferral notice which is not less than five (5) business days to the Facility Agent and the Security Trustee before the relevant profit payment date, and such amount shall be payable on the next

profit payment date, (i.e. on a cumulative and non-compounded basis) unless it is further deferred. For the avoidance of doubt, such unpaid profit of the most junior Class Sukuk Murabahah for that particular tranche shall not be subject to any Ta'widh or late/default payment and shall not constitute an Event of Default unless the only outstanding Sukuk Murabahah for that particular tranche is the most junior Class Sukuk Murabahah and no deferment has been requested by the Issuer.

(m) Profit/Coupon/Rental : **First Tranche – Class A Sukuk Murabahah and Class B Sukuk Murabahah**
Payment Frequency

Payable semi-annually in arrears commencing six (6) months from the issue date of the First Tranche and every six (6) months thereafter.

First Tranche - Class C Sukuk Murabahah

Payable semi-annually in arrears.

The same shall only be payable (in full or in part) upon the full redemption of the First Tranche - Class A Sukuk Murabahah and Class B Sukuk Murabahah ("**Class C Payment Date**").

In the event the Issuer has insufficient funds to pay the profit for the First Tranche - Class C Sukuk Murabahah on the Class C Payment Date, the unpaid portion of the same shall be deferred, whereby the Issuer shall request for deferment by giving a written notice ("**Deferral Notice**") which is not less than five (5) business days to the Facility Agent and the Security Trustee before the relevant Class C Payment Date, and such amount shall be payable on the next Class C Payment Date, and so on (i.e. on a cumulative and non-compounded basis). For the avoidance of doubt, such unpaid profit of the First Tranche - Class C Sukuk Murabahah shall not be subject to any Ta'widh or late/default payment and shall not constitute an Event of Default unless no deferment has been requested by the Issuer.

Subsequent Tranche(s)

To be determined prior to the issuance of the relevant tranche.

(n) Profit/Coupon/Rental :

Payment Basis	Actual number of days elapsed on a 365-day basis.
(o) Stop Trigger events	<p>Issuance : An "SIT Event" shall include any of the following: -</p> <p>(a) The occurrence of a Servicer Event of Default; and</p> <p>(b) Any material adverse change in the condition or operations of RCEM (as Originator or as Servicer) or any other event which, in the reasonable opinion of the Sukuk Trustee, materially affects RCEM's ability (as Servicer) to ensure the collection of or service the Receivables under Acquired Islamic Financing Agreements or its obligations to perform under the Issue Documents.</p> <p>Upon the occurrence of an SIT Event, the Issuer shall have a period of thirty (30) days to remedy such SIT Event, failing which an SIT shall automatically be declared by the Sukuk Trustee without any further notice; and (a) no further Sukuk Murabahah shall be allowed to be issued; and (b) all monies in the Designated Accounts shall be applied in the manner provided for under the section entitled "Details of Account(s)" below.</p> <p>In the event that the SIT has been remedied to the satisfaction of the Sukuk Trustee within the thirty (30) day period, the Issuer will be allowed to continue to issue Sukuk Murabahah under the Sukuk Murabahah Programme.</p>
(p) Mandatory Redemption in Full	<p>: Under the terms of the Issue Documents, the occurrence of any of the following events which in the opinion of the Sukuk Trustee affects all the Acquired Islamic Financing Agreements will, by written notice from the Issuer to the Originator, oblige the Originator to repurchase all the Acquired Islamic Financing Agreements:</p> <p>(i) The failure by the Originator to comply with any applicable law with respect to the Acquired Islamic Financing Agreements;</p> <p>(ii) The failure to vest and maintain vested in the Issuer a perfected ownership interest in the Acquired Islamic Financing Agreements and/or the Receivables are not free and clear of any encumbrances;</p> <p>(iii) Any successful dispute, claim or defence of any of the Individual Customers as to the legality and enforceability of any Acquired Islamic Financing Agreements and/or</p>

Receivables and such dispute, claim or defence would be applicable to all Acquired Islamic Financing Agreements and/or Receivables; and

- (iv) Any successful attempt by any person to avoid, rescind or set aside any transfer by the Originator to the Issuer of the Acquired Islamic Financing Agreements and/or Receivables under any law, including any bankruptcy law or other insolvency law and such avoidance, rescission or setting aside would be applicable to all Acquired Islamic Financing Agreements and/or Receivables.

The Issuer shall redeem all outstanding Sukuk Murabahah, in whole and not in part, on the next profit payment date immediately after receipt by the Issuer of the Repurchase Price (as defined herein).

Such redemption shall be at par value, on a pro-rata basis within each tranche and shall include the accrued and unpaid profit (where applicable).

(q) Replacement of :
Acquired Islamic
Financing
Agreement

The Originator will represent to the Issuer:

- (a) that each Acquired Islamic Financing Agreement (including the Receivables thereunder, where applicable) satisfies the Eligibility Criteria up to the relevant sale date; and
- (b) that the information given/represented in respect of each Acquired Islamic Financing Agreement (including the Receivables thereunder) is true and accurate and is not misleading for any other reason.

In the event of a breach of any of the foregoing, the Originator will immediately replace (at no additional cost to the Issuer) the relevant Acquired Islamic Financing Agreements with Islamic Financing Agreements (with Receivables) of equal value or more that comply with Eligibility Criteria.

In the event that the Originator does not replace the relevant Acquired Islamic Financing Agreements in accordance with the above, the Originator shall forthwith repurchase the same at the Repurchase Price.

Upon such repurchase, the Issuer shall utilise the Repurchase Price received from the Originator to partially redeem the relevant Sukuk Murabahah (within the tranche as was secured against the repurchased Acquired Islamic

Financing Agreements) on the next profit payment date immediately after receipt by the Issuer of the Repurchase Price.

Any such partial redemption (which would be at par value) shall be applied towards the principal and any accrued profit of the most senior Class Sukuk Murabahah within such tranche first, and in the event all of the most senior Class Sukuk Murabahah within such tranche have already been redeemed in full, then towards the principal and any accrued profit of the Class of Sukuk Murabahah based on their respective ranking within such tranche. Provided that, where the Repurchase Price received is less than RM500,000.00, the Issuer may deposit the same into the RA and such Repurchase Price shall be applied in accordance with the terms of the RA.

- (r) Clean-up Call : The Issuer will grant the Originator an option to repurchase all the outstanding Acquired Islamic Financing Agreements in relation to that tranche on a date to be agreed at the Repurchase Price, provided that the Issuer would be able to discharge all its payment obligations to the Sukukholders of all Classes of the Sukuk Murabahah of the relevant tranche (save and except the most junior Class Sukuk Murabahah), payments preferred by law and incidental expenses and fees to the JPAs/JLAs/JSAs/JLMs, the Solicitors, Credit Rating Agency, Reporting Accountant, the Sukuk Trustee, the Security Trustee, the Servicer Fee (if the Servicer is not the Originator or a related corporation of the Originator) and such other party(ies) appointed in connection with the Sukuk Murabahah Programme, if:
- (a) the outstanding principal value of the Acquired Islamic Financing Agreements of such tranche shall fall to or below a pre-agreed percentage (as reflected in the relevant documentation for such tranche) of the outstanding principal value initially purchased from the Originator. For the purpose of the First Tranche, the percentage shall be 10%. As for the Subsequent Tranche(s), such percentage(s) shall be agreed between the Issuer and the Originator prior to issuance of the relevant Subsequent Tranche(s); OR
 - (b) all Classes of the Sukuk Murabahah of the relevant tranche save and except the most junior Class Sukuk Murabahah shall have been fully redeemed,

the Originator may nominate any eligible third party to

purchase all the outstanding Acquired Islamic Financing Agreements upon exercising the Clean-up Call if the Originator does not intend to repurchase the said Acquired Islamic Financing Agreements.

The proceeds received by the Issuer from the Clean-up Call shall be applied in accordance to the order and priority as stipulated in the relevant provisions in respect of the RA.

Such redemption of the outstanding Sukuk Murabahah shall be at the relevant Early Redemption price.

(s) Repurchase Price : The price payable by the Originator (or in the case of the Clean-up Call, any eligible third party nominated by the Originator) to repurchase or purchase the relevant Acquired Islamic Financing Agreements under the following circumstances:

1. Mandatory Redemption in Full;
2. Clean-up Call; and
3. Replacement of Acquired Islamic Financing Agreement;

shall be equal to the aggregate of:-

- (a) The principal component of the Receivables under such Acquired Islamic Financing Agreements outstanding as at the date of repurchase;
- (b) The amount of all accrued profit on the Receivables under such Acquired Islamic Financing Agreements up to the payment date; and
- (c) All other ancillary costs which shall include, but are not limited to, late payment charges (if any) and recovery/legal expenses on any delinquent Acquired Islamic Financing Agreements.

The Originator shall remit the Repurchase Price, as quantified using the above formula to the Issuer, within a period of ten (10) business days from the date of repurchase or such longer period as may be mutually agreed between the Issuer and the Originator.

(t) Taxes : 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 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 such additional amount so that the payee would receive the full amount which

the payee would have received if no such withholding or deductions are made.

Where any levy, withholding or deduction is required by the laws of Malaysia, the Issuer shall:-

- (a) ensure that the deduction or withholding does not exceed the minimum legally required;
- (b) pay to the relevant taxation or other authorities within the period for payment permitted by applicable law, the full amount of the deduction or withholding; and
- (c) furnish to the Sukuk Trustee, upon its request, an official receipt of the relevant taxation or other authorities involved for all amounts deducted or withheld as aforesaid.

(u) Issue Documents : The Sukuk Murabahah Programme shall be evidenced inter-alia, by the following documents :-

- (i) Programme Agreement;
- (ii) Trust Deed;
- (iii) Securities Lodgement Form for Central Securities Depository and Paying Agency Services;
- (iv) Security Documents;
- (v) Priority and Security Sharing Agreement;
- (vi) Islamic Documents;
- (vii) SPA;
- (viii) Servicing Agreement;
- (ix) Letter of Undertaking issued or to be issued by RCE Capital Berhad in favour of the Sukuk Trustee in respect of the undertaking to ensure that the Collection Agent performs its obligations and undertakings in respect of the Sukuk Murabahah Programme; and
- (x) any other legal documentation as advised by the Solicitors.

(v) Collection Agent : Such competent collection agent(s) with full authority to act as a collection agent for the participating cooperative society(ies)/foundation(s)/corporation(s) in respect of

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repayment of Islamic financing granted by them to the Individual Customers and which effects payments to these participating cooperative society(ies)/ foundation(s)/ corporation(s) through direct deductions from salaries payable to the Individual Customers.

- (w) Issue price : The Sukuk Murabahah may be issued at par or at discount to the nominal value. The issue price shall be computed in accordance with the PayNet Rules and Procedures, as amended or substituted from time to time.
- (x) Listing Status and Types of Listing, where applicable : The Sukuk Murabahah will not be listed on the Bursa Malaysia Securities Berhad or on any other stock exchange.
- (y) Limited Recourse/Non-Petition : In respect of each tranche of the Sukuk Murabahah, the liability of the Issuer to make profit payments and principal payments on the Sukuk Murabahah is limited to the assets of the Issuer available for this purpose in accordance with and subject to the priority of payments as set out in the Issue Documents.
- In respect of each tranche of the Sukuk Murabahah, once the security provided herein have been exhausted and there are still obligations of the Issuer that remain outstanding, the outstanding obligations shall be deemed extinguished and the Originator, Servicer, Share Trustee, SPV Administrator, Board of Directors of the Issuer, the JPAs/JLAs and Sukukholders shall be deemed to agree that they shall not have any legal rights as against the Issuer and accordingly, they shall not be entitled to file a petition for or institute or join any other person in instituting proceedings for the reorganisation, liquidation, winding-up or receivership of the Issuer or other similar proceedings under any applicable laws.
- (z) Legal Fees, Stamp Duty and Other Expenses : All costs and expenses including but not limited to legal and other professional fees, stamp duty (if any), out-of-pocket expenses, fees for BNM and Paying Agent, Credit Rating Agency, Reporting Accountant, Tax Adviser, JPAs/JLAs/JLMs, JSAs, Sukuk Trustee, Security Trustee, Share Trustee, Facility Agent, incorporation fees, administrator fees, commodity trading participant fees, secretarial fees, nominee director fees, SC and other regulatory fees (if any), and other costs and expenses, shall be for the account of the Issuer and on a full indemnity basis.
- (aa) Change in Circumstances : If as a result of any change in applicable law, regulation or regulatory requirement or in the interpretation or application

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thereof or if compliance by the JPAs/JLAs with any applicable direction, request or requirement (whether or not having the force of law) will impose on the JPAs/JLAs any material condition, burden or obligation, then the commitment of the JPAs/JLAs to the Sukuk Murabahah Programme will end upon notice to the Issuer of the happening of such events after becoming aware thereof.

(bb) Tranching : To be determined prior to each issuance of the relevant tranche.

(cc) Tenure of Sukuk Murabahah : The tenure of the Sukuk Murabahah shall be determined prior to each issuance of the relevant tranche where each Sukuk Murabahah may be issued with an Expected Maturity and a Legal Maturity Date.

Subject to Mandatory Redemption in Full (as defined in the section entitled "Mandatory Redemption in Full"), all series of the Sukuk Murabahah must be fully redeemed on the relevant Legal Maturity Date. Non-redemption of any series of the Sukuk Murabahah by the relevant Legal Maturity Date shall constitute an Event of Default.

****Note:** Where the relevant Sukuk Murabahah includes an Expected Maturity, the Expected Maturity denotes the date where the Sukuk Murabahah is expected to be redeemed by the Issuer but there is no legal obligation for the Issuer to do so.

For avoidance of doubt, non-redemption of the Sukuk Murabahah on its Expected Maturity will not by itself constitute an Event of Default. However, in the event the relevant Sukuk Murabahah has been redeemed on its Expected Maturity or any Early Redemption date, the effective Additional Profit commencing from the Expected Maturity or such Early Redemption date up to the relevant Legal Maturity Date of the Sukuk Murabahah shall be released by way of Ibra'.

(dd) Details of Account(s) : For each tranche of the Sukuk Murabahah, the Issuer shall open and maintain a separate set of the following designated accounts ("**Designated Accounts**") with the name of the Issuer as the prefixes to the name of the respective Designated Accounts with a bank having a minimum long term rating of A₂ and short term rating of P1 which is acceptable to the JPAs/JLAs and the Security Trustee which shall be Shariah-compliant with each of the Designated

Accounts being named after the relevant tranche: -

- (i) Revenue Account (“**RA**”);
- (ii) Sinking Fund Account (“**SFA**”); and
- (iii) Finance Service Reserve Account (“**FSRA**”).

The Designated Accounts will be charged to and be solely operated by the Security Trustee.

The details of the payment required to be made into, and authorised to be made out of the Designated Accounts will be determined prior to the issuance of each tranche.

In respect of the First Tranche:

RA

The following shall be deposited into the RA:-

- (i) balance of the proceeds from the First Tranche after satisfying the utilisations tabulated in (k) above under the section entitled “Details on Utilisation of Proceeds” above, which may be paid directly to the relevant payees/accounts;
- (ii) all of the Collection Proceeds (as defined below) to be received;
- (iii) the Repurchase Price received from the Originator for the Mandatory Redemption in Full, Replacement of Acquired Islamic Financing Agreement (in the event the Repurchase Price is less than RM500,000.00) and/or Clean-up Call;
- (iv) an amount equal to the total credit balance in the SFA and FSRA upon full redemption of the Class A Sukuk Murabahah and Class B Sukuk Murabahah or upon the declaration of an SIT and/or an Event of Default, as the case may be;
- (v) other cash receipts of the Issuer from any source relevant to the tranche; and
- (vi) all proceeds from Permitted Investments from RA.

Note: For the purposes of the above, and, if Subsequent Tranche(s) have been issued, any cash receipts of the Issuer

that cannot be clearly allocated or referenced to a particular outstanding tranche shall be shared on a pro rata basis (based on the nominal value outstanding under the respective tranches) across all tranches and the relevant portion in respect thereof shall be deposited into the relevant RA for each tranche.

All collections by the Collection Agent in relation to the Acquired Islamic Financing Agreements (“**Collection Proceeds**”) shall be deposited into the bank accounts opened by the participating cooperative society(ies) /foundation(s)/ corporation(s) (collectively, “**Collection Accounts**”).

Collection Proceeds will be transferred into the RA from the Collection Accounts within seven (7) business days from the date the Collection Proceeds are deposited into the Collection Accounts.

Prior to the declaration of an SIT and/or an Event of Default (including upon a Mandatory Redemption in Full or upon the exercise of the Clean-up Call), the funds in the RA shall be applied for the following purposes and in the following order and priority:-

- (i) To pay to/set aside for payments to, any public or governmental authorities/bodies, any taxes, duties, fees, or levies which are statutorily preferred by the laws of Malaysia;
- (ii) To pay incidental expenses and fees to the JPAs/JLAs/JSAs/JLMs, the Solicitors, Credit Rating Agency, Reporting Accountant, the Sukuk Trustee, the Security Trustee, the Servicer Fee (if the Servicer is not the Originator or a related corporation of the Originator) and such other party(ies) appointed in connection with the Sukuk Murabahah Programme;
- (iii) Transfers to FSRA to meet the Minimum Required Profit Balance (as defined below);
- (iv) Transfers to SFA to meet the Deposit (as defined below) and Minimum Credit Balance (as defined below);
- (v) If applicable, for Early Redemption by the Issuer;
- (vi) To pay the Servicer Fee, if the Servicer or the Replacement Servicer (as defined in the section entitled “Servicer Default” above), as the case may be,

is the Originator or a related corporation of the Originator;

- (vii) To meet profit payment of Class C Sukuk Murabahah;
- (viii) To redeem Class C Sukuk Murabahah; and
- (ix) Upon full settlement of the above and all other amounts due and payable by the Issuer, any surplus amounts will be applied in the following order of priority:
 - a. An amount set aside for any winding up expenses of the Issuer and/or any other amounts due and payable by the Issuer;
 - b. A percentage specified in the Issue Documents of any funds remaining in the RA will be applied towards payment of Servicer Bonus; and
 - c. Any surplus to be paid to the Share Trustee to be held on trust for the benefit of charitable organisations to be identified and are acceptable to the JSAs.

For the avoidance of doubt, in the event of a Mandatory Redemption in Full and/or the exercise of the Clean-up Call, the funds applicable to items (iii) and (iv) shall be utilised towards payment of all accrued and unpaid profit payments of the Class A Sukuk Murabahah and to redeem all outstanding Class A Sukuk Murabahah followed by all accrued and unpaid profit payments of the Class B Sukuk Murabahah and to redeem all outstanding Class B Sukuk Murabahah on the next profit payment date.

Upon the declaration of an SIT, the funds in the RA shall be applied (or set aside) in the following order and priority:

- (i) To pay to/set aside for payments to, any public or governmental authorities/bodies, any taxes, duties, fees, or levies which are statutorily preferred by the laws of Malaysia;
- (ii) To pay incidental expenses and fees to the JPAs/JLAs/JSAs/JLMs, the Solicitors, Credit Rating Agency, Reporting Accountant, the Sukuk Trustee, the Security Trustee, the Servicer Fee (if the Servicer is not the Originator or a related corporation of the Originator) and such other party(ies) appointed in

connection with the Sukuk Murabahah Programme;

- (iii) To meet the profit payments of Class A Sukuk Murabahah as and when they become due;
- (iv) To redeem or early redeem Class A Sukuk Murabahah on its Expected Maturity or Legal Maturity Date or, if applicable, any Early Redemption date;
- (v) To meet the profit payments of Class B Sukuk Murabahah as and when they become due;
- (vi) To redeem or early redeem Class B Sukuk Murabahah on its Expected Maturity or Legal Maturity Date or, if applicable, any Early Redemption date;
- (vii) To pay the Servicer Fee, if the Servicer or the Replacement Servicer (as the case may be) is the Originator or a related corporation of the Originator;
- (viii) To meet the profit payments of Class C Sukuk Murabahah as and when they become due;
- (ix) To redeem Class C Sukuk Murabahah as and when they become due; and
- (x) Upon full settlement of the above and all other amounts due and payable by the Issuer, any surplus amounts will be applied in the following order of priority:
 - a. An amount set aside for any winding up expenses of the Issuer and/or any other amounts due and payable by the Issuer;
 - b. A percentage specified in the Issue Documents of any funds remaining in the RA will be applied towards payment of Servicer Bonus; and
 - c. Any surplus shall be paid to the Share Trustee to be held on trust for the benefit of charitable organisations to be identified and are acceptable to the JSAs.

For the avoidance of doubt, in the event that the SIT has been remedied to the satisfaction of the Sukuk Trustee prior to the declaration of an SIT, the Issuer will be allowed to continue to issue Sukuk Murabahah under the Sukuk Murabahah

Programme.

Upon the declaration of an Event of Default, the funds in the RA shall be applied (or set aside) in the following order and priority:

- (i) To pay to/set aside for payments to, any public or governmental authorities/bodies, any taxes, duties, fees, or levies which are statutorily preferred by the laws of Malaysia;
- (ii) To pay incidental expenses and fees to the JPAs/JLAs/JSAs/JLMs, the Solicitors, Credit Rating Agency, Reporting Accountant, the Sukuk Trustee, the Security Trustee, the Servicer Fee (if the Servicer is not the Originator or a related corporation of the Originator) and such other party(ies) appointed in connection with the Sukuk Murabahah Programme;
- (iii) To pay Ta'widh on all overdue profit payments in respect of Class A Sukuk Murabahah from the date of the Event of Default until all overdue profit payments in respect of Class A Sukuk Murabahah have been paid in full;
- (iv) To pay all overdue profit payments in respect of Class A Sukuk Murabahah;
- (v) To pay Ta'widh on all outstanding Class A Sukuk Murabahah from the date of the Event of Default until all Class A Sukuk Murabahah have been redeemed in full;
- (vi) To redeem all outstanding Class A Sukuk Murabahah at par until the Class A Sukuk Murabahah and all other amounts owing to the holders of the Class A Sukuk Murabahah have been paid in full;
- (vii) To pay Ta'widh on all overdue profit payments in respect of Class B Sukuk Murabahah from the date of the Event of Default until all overdue profit payments in respect of Class B Sukuk Murabahah have been paid in full;
- (viii) To pay all overdue profit payments in respect of Class B Sukuk Murabahah;
- (ix) To pay Ta'widh on all outstanding Class B Sukuk Murabahah from the date of the Event of Default until all Class B Sukuk Murabahah have been redeemed in full;

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- (x) To redeem all outstanding Class B Sukuk Murabahah at par until the Class B Sukuk Murabahah and all other amounts owing to the holders of the Class B Sukuk Murabahah have been paid in full;
- (xi) To pay the Servicer Fee, if the Servicer or the Replacement Servicer is the Originator or a related corporation of the Originator (as the case may be);
- (xii) To pay Ta'widh on all overdue profit payments in respect of Class C Sukuk Murabahah from the date of the Event of Default until all overdue profit payments in respect of Class C Sukuk Murabahah have been paid in full;
- (xiii) To pay all overdue profit payments in respect of Class C Sukuk Murabahah;
- (xiv) To pay Ta'widh on all outstanding Class C Sukuk Murabahah from the date of the Event of Default until all Class C Sukuk Murabahah have been redeemed in full;
- (xv) To redeem all outstanding Class C Sukuk Murabahah at par until the Class C Sukuk Murabahah and all other amounts owing to the holders of the Class C Sukuk Murabahah have been paid in full;
- (xvi) Upon full settlement of the above and all other amounts due and payable by the Issuer, any surplus amounts will be applied in the following order of priority:
 - a. an amount set aside for any winding up expenses of the Issuer and/or any other amounts due and payable by the Issuer;
 - b. a percentage specified in the Issue Documents of any funds remaining in the RA will be applied towards payment of Servicer Bonus; and
 - c. any surplus to be paid to the Share Trustee to be held on trust for the benefit of charitable organisations to be identified and are acceptable to the JSAs.

The funds in the RA may, from time to time, be invested by the Issuer in Permitted Investments. All income earned from such investments shall be remitted into the RA.

For the purposes of the above, all general payments in relation to the Sukuk Murabahah Programme (in particular

items (i) and (ii) of the payment priorities above), such payments shall be made on a pro rata basis (based on the nominal value outstanding under the respective tranches) across all tranches.

SFA

The SFA shall capture the remittance of funds from the RA in accordance with the schedules as set out below. In the event there is a shortfall in the Deposit (as defined below), such shortfall shall be transferred from the FSRA into the corresponding SFA no later than the third (3rd) business day preceding the next profit payment date.

The monies in the SFA are to be used to redeem maturing Class A Sukuk Murabahah and Class B Sukuk Murabahah and to meet the profit payments of outstanding Class A Sukuk Murabahah and Class B Sukuk Murabahah in the following manner:

Profit payments

In relation to the profit payments of Class A Sukuk Murabahah and Class B Sukuk Murabahah due, the Issuer shall ensure that at least six (6) months' profit payments are deposited ("**Deposit**") into the SFA no later than the fifth (5th) business day preceding the next profit payment date.

Principal payment

In relation to the principal payment of the Class A Sukuk Murabahah and the Class B Sukuk Murabahah due, the Issuer shall ensure that the SFA has sufficient credit balance ("**Minimum Credit Balance**") as follows: -

	Period	Minimum Credit Balance
(a)	Three (3) months prior to the Legal Maturity Date or Expected Maturity (as the case may be)	At least 50% of the nominal value of the Sukuk Murabahah falling due
(b)	One (1) month prior to the Legal Maturity Date or Expected Maturity (as the case may be)	100% of the nominal value of the Sukuk Murabahah falling due

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The funds in the SFA may, from time to time, be invested by the Issuer in the Permitted Investments. All income earned from such investments shall be remitted into the SFA.

The funds in the SFA shall be applied in the following order and priority:

1. payment of profit on Class A Sukuk Murabahah as and when they become due;
2. redemption or, if applicable, Early Redemption (as the case may be) of the Class A Sukuk Murabahah as and when they become due (on Legal Maturity Date or Early Redemption date, as the case may be);
3. payment of profit on Class B Sukuk Murabahah as and when they become due; and
4. redemption or, if applicable, Early Redemption (as the case may be) of the Class B Sukuk Murabahah as and when they become due (on a Legal Maturity Date or Early Redemption date, as the case may be).

For the avoidance of doubt, it shall not be an Event of Default if the Minimum Credit Balance is not met towards any Expected Maturity of the Sukuk Murabahah.

Upon full redemption of all Class A Sukuk Murabahah and Class B Sukuk Murabahah and/or the declaration of an SIT and/or an Event of Default, the SFA shall be closed and the balance (if any) shall be transferred to the RA and applied in accordance with the order of priority stipulated in the relevant provisions in respect of the RA.

Any amount in excess of the Deposit and/or the Minimum Credit Balance may be transferred to the RA.

FSRA

The Issuer shall deposit and maintain an amount equivalent to the immediate next six (6) months' profit payment obligations in respect of the Class A Sukuk Murabahah and Class B Sukuk Murabahah ("**Minimum Required Profit**

Balance”), which shall be maintained throughout the tenure of the Sukuk Murabahah. The Minimum Required Profit Balance will be funded via proceeds from the issuance of the Sukuk Murabahah.

Prior to the declaration of an SIT and/or an Event of Default, in the event the balance held in the corresponding SFA is insufficient to meet the profit payment of the Class A Sukuk Murabahah and/or Class B Sukuk Murabahah, the funds in the FSRA may be withdrawn and remitted to the corresponding SFA to meet the profit payment within the stipulated timeframe.

After all outstanding Class A Sukuk Murabahah and Class B Sukuk Murabahah have been fully redeemed and/or upon the declaration of an SIT and/or an Event of Default, the FSRA shall be closed and any balance shall be transferred to the RA.

In the event funds are withdrawn from the FSRA to meet any shortfalls of Deposit, the Minimum Required Profit Balance in the FSRA must be replenished within seven (7) business days via a transfer from the RA.

The funds in the FSRA may, from time to time, be invested by the Issuer in the Permitted Investments. All income earned from such investments shall be remitted into the FSRA.

Any amount in excess of the Minimum Required Profit Balance may be transferred to the RA.

(ee) Revolving Structure : If applicable for a tranche as determined prior to the issuance of such tranche, the Issuer shall, subject to the conditions to be agreed, have the option to purchase new Acquired Islamic Financing Agreements arising after the initial sale to the extent that the Issuer has proceeds from the relevant Designated Account sufficient to make such purchases (**“Revolving Option”**).

The terms of the Revolving Option is not applicable to the First Tranche and shall be determined prior to the issuance of the relevant tranche of the Sukuk Murabahah.