

AEON Credit Service (M) Berhad

Principal Terms and Conditions

PROPOSED ISSUANCE OF UP TO RM200.0 MILLION NOMINAL VALUE OF SIX (6) YEARS MEDIUM TERM NOTES PROGRAMME

1. BACKGROUND INFORMATION

(a) Issuer

- i) Name : AEON Credit Service (M) Berhad (“**AEON Credit**” or the “**Issuer**”).
- ii) Address : Registered Address:
Lot 6.05, Level 6, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan.

Business Address:
Level 29, Menara Olympia
No.8 Jalan Raja Chulan
50200 Kuala Lumpur.
- iii) Business Registration No. : 412767-V.
- iv) Date and Place of Incorporation : 6 December 1996 / Kuala Lumpur.
- v) Date of Listing : Listed on Main Bursa Malaysia Securities Berhad on 12 December 2007.
- vi) Status : Non-resident controlled company.
- vii) Principal Activities : The Issuer’s core business consists of the provision of easy payment schemes, personal financing schemes and issuance of credit cards under international brand names of Visa and MasterCard. The personal financing schemes and certain of the easy payment schemes are based on Islamic principles.
- viii) Board of Directors : The Board of Directors of the Issuer as at 31 October 2011 are as follows:
 - 1. Dato’ Abdullah bin Mohd. Yusof (Chairman and

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- Independent Non-Executive Director);
2. Yasuhiro Kasai (Managing Director);
 3. Naruhito Kuroda (Non-Independent Non-Executive Director);
 4. Takatoshi Ikenishi (Non-Independent Non-Executive Director);
 5. Datuk Ramli bin Ibrahim (Independent Non-Executive Director);
 6. Dato' Md Kamal bin Ismaun (Independent Non-Executive Director);
 7. Ng Eng Kiat (Independent Non-Executive Director);
 8. Tomoaki Saito (Executive Director);
 9. Krishnappan a/l S.P.S. Singaram (Executive Director); and
 10. Clarence Chai (Executive Director).

- ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : The structure of shareholdings and names of all substantial shareholders of the Issuer as at 31 October 2011 are as follows:

Name	Shareholding (%)	
	Direct (%)	Indirect(%)
AEON Credit Service Co., Ltd	58.2	1.5 ⁱ
AEON Co., Ltd	-	61.85 ⁱⁱ
Aberdeen Asset Management PLC and its subsidiaries	7.09	-
Credit Suisse Group AG	-	7.09 ⁱⁱⁱ
Mitsubishi UFJ Financial Group, Inc	-	7.09 ^{iv}
Aberdeen Asset Management Sdn. Bhd.	5.84	-

Notes:

- i Indirect interest held through subsidiary of AEON Credit Service Co., Ltd, namely AEON Credit Service (Asia) Co., Ltd.
- ii Indirect interest by virtue of its interest in AEON Credit Service Co., Ltd, AEON Co. (M) Bhd. and AEON Credit Service (Asia) Co., Ltd pursuant to Section 6A of the Companies Act, 1965.
- iii Credit Suisse Group AG owns more than 15% of the voting

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- shares in Aberdeen Asset Management PLC and is deemed to have an interest in the shares held by Aberdeen Asset Management PLC and its subsidiaries group.*
- iv *Mitsubishi UFJ Financial Group, Inc is deemed interested in the shares by virtue of Mitsubishi UFJ Financial Group, Inc's wholly owned subsidiary, Mitsubishi UFJ Trust & Banking Corp, holding more than 15% in Aberdeen Asset Management PLC.*

- x) Authorised and paid-up capital : The authorised and paid-up capital of the Issuer as at 31 October 2011 are as follows:

Authorised capital:

RM100,000,000 comprising 200,000,000 ordinary shares of RM0.50 each.

Issued and Paid-up capital:

RM60,000,000 comprising 120,000,000 ordinary shares of RM0.50 each.

2. PRINCIPAL TERMS AND CONDITIONS

- (a) Names of parties involved in the proposed transaction

- i) Principal Adviser : Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad (Company No. 302316-U) ("**BTMUM**").
- ii) Lead Arranger : BTMUM.
- iii) Co-arranger : Not applicable.
- iv) Solicitor : Messrs. Adnan Sundra & Low.
- v) Financial Adviser : Not applicable.
- vi) Technical Adviser : Not applicable.
- vii) Trustee : Not applicable.
- viii) Guarantor : Not applicable.
- ix) Valuer : Not applicable.
- x) Facility Agent : BTMUM.

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| xi) | Primary
Subscriber
(under a
bought-deal
arrangement)
and amount
subscribed | : | Not applicable. |
| xii) | Underwriter and
amount
underwritten | : | Not applicable. |
| xiii) | Central
Depository | : | Bank Negara Malaysia (" BNM "). |
| xiv) | Paying Agent | : | BNM. |
| xv) | Reporting
Accountant | : | Not applicable. |
| xvi) | Calculation
agent | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| xvii) | Others (please
specify) | : | Placee/Subscriber
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Labuan
Branch (" BTMU Labuan "). |
| (b) | Facility
description | : | Medium term notes (" MTNs ") to be issued pursuant
to a medium term notes programme of up to
RM200.0 million in nominal value (" MTN
Programme "). |
| (c) | Issue /
Programme
size | : | Nominal value of up to RM200.0 million.

The outstanding nominal value of the MTNs issued
under the MTN Programme shall not exceed
RM200.0 million at any point in time. |
| (d) | Tenure of issue
/ debt
programme (or
facility) | : | <u>MTN Programme</u>
Up to 6 years from the date of the first issue under
the MTN Programme.

<u>Each MTN tranche</u>
Each MTN tranche shall have maturities of more than
1 year up to 5 years as the Issuer may select,
provided that the each tranche mature on or prior to
the expiry of the MTN Programme. |

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| (e) | Availability period of debt programme (or facility) | : | <p>The availability period of the MTN Programme is up to 6 years from the first issuance of the MTN.</p> <p>Each MTNs will have maturities of up to 5 years provided that each MTN mature on or prior to the expiry of the MTN Programme.</p> |
| (f) | Interest / Coupon Rate | : | To be determined prior to each issuance. |
| (g) | Interest / Coupon payment frequency | : | Semi-annual or such other period as the Issuer and the Lead Arranger may agree, if the MTNs of a particular issuance are not zero coupon MTNs. |
| (h) | Interest / Coupon payment basis | : | Actual/365 days. |
| (i) | Security / Collateral (if any) | : | Nil. |
| (j) | Details on utilisation of proceeds by issuer | : | The proceeds from the MTN Programme shall be utilized for refinancing of existing bank borrowings and for working capital purposes. |
| (k) | Sinking fund and designated accounts (if any) | : | Not applicable. |
| (l) | Rating | | |
| | • Credit Rating(s) Assigned | : | No rating requirement as permitted under section 7.09 (d) of the Private Debt Securities Guidelines (Revised 12 July 2011, Effective 12 August 2011). |
| | • Name of rating agency | : | Not applicable. |
| (m) | Mode of Issue | : | <p>The MTNs will be issued by way of private placement.</p> <p>Issuance of the MTNs under the programme shall be in accordance with the Fully Automated System for Issuing/Tendering rules ("FAST Rules"), subject to such exemptions (if any) granted from time to time.</p> |

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- (n) Selling Restriction, including tradability (i.e. tradable or non-tradable) : Selling Restrictions At Issuance:
The MTNs may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to subscribe the MTNs may be made and to whom the MTNs are issued would fall within Schedule 6, Schedule 7, Schedule 8 and Schedule 9 of Capital Markets And Services Act 2007 ("**CMSA**").
- Selling Restrictions Thereafter:
The MTNs shall not be transferable and shall not be tradable in the secondary market.
- (o) Listing Status and types of listings : The MTNs will not be listed on any stock exchanges.
- (p) Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained : Not applicable.
- (q) Conditions Precedent : To include but not limited to the following:
- A. Main Documentation
1. The transaction documents have been executed and, where applicable, stamped and presented for registration.
 2. All relevant notices and acknowledgements (where applicable) shall have been made or received as the case may be.
- B. Issuer
1. Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association, of the Issuer.
 2. Certified true copies of the latest Forms 24 and 49 of the Issuer.
 3. A certified true copy of board resolutions of the Issuer authorising, among others, the execution of the transaction documents.

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4. Confirmation from the Issuer that no event of default has occurred or will occur as a result of issuance of the MTN Programme.
5. A list of the Issuer's authorised signatories and their respective specimen signatures.
6. A report of the relevant company search of the Issuer.
7. A report of the relevant winding up search or the relevant statutory declaration of the Issuer.

C. General

1. The approval from the SC and, where applicable, all other regulatory authorities.
2. Evidence that all transaction fees, costs and expenses have been paid in full.
3. The Lead Arranger has received from its legal counsel a favourable legal opinion in form and substance acceptable to the Lead Arranger addressed to the Lead Arranger advising with respect to, among others, the legality, validity and enforceability of the transaction documents relating to the MTN Programme and a confirmation addressed to the Lead Arranger that all the conditions precedent have been fulfilled (except those waived).

And such other Conditions Precedent as advised by the Solicitor.

(r) Representations and Warranties : To include but not limited to the following:

1. The Issuer is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its assets, and has full beneficial ownership of all its assets.
2. The Memorandum and Articles of Association of the Issuer incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant authorisations, licences, exemptions, registrations, recording, filing, notarisation, consents and approvals of any administrative,

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governmental or other authority or body in Malaysia have been duly and unconditionally obtained, would be taken, and are in full force and effect and all duty and taxes (if any) have been paid which are required or desirable to (a) authorise the Issuer to execute and deliver and perform the transactions contemplated in the transaction documents in accordance with their terms; and (b) to ensure the legality, validity, enforceability of the Issuer's liabilities and obligations or the rights of the Subscriber under the transaction documents and/or the MTNs.

3. Neither the (a) execution and delivery of any of the transaction documents nor (b) the performance of any of the transactions contemplated by the transaction documents:
 - (i) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, licence, permit or consent by which the Issuer or any of their respective assets is bound or which is applicable to the Issuer or any of their respective assets;
 - (ii) cause to be exceeded any limitation on the Issuer or the powers of their respective directors, whether imposed by or contained in its Memorandum and Articles of Association or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise; or
 - (iii) cause the creation or imposition of any security interest or restriction of any nature on any of the Issuer's assets.
4. Each of the transaction documents is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, as the case may be, constitute, valid and legally binding obligations of the Issuer enforceable in accordance with its terms.
5. The audited financial statements (including the income statement and balance sheet) of the Issuer have been prepared on a basis consistently applied and in accordance with generally accepted accounting principles in

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Malaysia and give a true and fair view of the results of their operations and the state of their affairs and in particular disclose all material liabilities (actual or contingent) of the Issuer.

6. No litigation, arbitration or administrative proceeding or claim which might by itself or together with any other such proceedings or claims either have a Material Adverse Effect (as defined below) on the financial condition of the Issuer or materially and adversely affect the Issuer's ability to perform its obligations under the transaction documents in accordance with their terms, is presently in progress or pending or, to the best of the knowledge, information and belief of the Issuer, threatened against the Issuer or any of its or their assets.
7. The Issuer is unaware and has no reason to believe that an event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute, a contravention of, or default under, any agreement or instrument by which the Issuer or any of its assets are bound or affected, being a contravention or default which might either have a Material Adverse Effect on the financial condition of the Issuer or materially and adversely affect the Issuer's ability to perform its obligations under the transaction documents in accordance with their terms.
8. The Issuer is in compliance and will comply with any applicable laws and regulations.

And such other Representations and Warranties as advised by the Solicitor.

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| (s) | Events of Default (or enforcement event) | <p>: To include but not limited to the following:</p> <ol style="list-style-type: none"> 1. The Issuer fails to pay the principal of any MTNs due on the due date for such payment and such default remains unremedied for a period of seven (7) business days after the due date of the same. 2. The Issuer fails to pay any interest on the MTNs or such other amount due under any of the transaction documents on the due date for such payment and such default remains unremedied for a period of seven (7) business days after the due date of the same. 3. Any representation or warranty made or given by |
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the Issuer under the transaction documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the MTNs and/or any of the transaction documents proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given, and in the case of a failure which is capable of being remedied, the Issuer does not remedy the failure within a period of seven (7) days after the Issuer became aware or having been notified in writing by the Facility Agent of the failure.

4. The Issuer fails to observe or perform its obligations under any of the transaction documents or the MTNs or under any undertaking or arrangement entered into in connection therewith other than an obligation of the type referred to in paragraph (1) above, and in the case of a failure which in the opinion of the Facility Agent is capable of being remedied, the Issuer does not remedy the failure within a period of seven (7) business days after the Issuer becomes aware or having been notified by the Facility Agent of the failure.
5. There has been a breach by the Issuer of any obligation under any of the Issuer's existing contractual obligations which may materially and adversely affect the Issuer's ability to perform its obligations under the transaction documents and, if it is capable of being remedied, the Issuer does not remedy the breach within a period of seven (7) days after the Issuer became aware or having been notified in writing by the Facility Agent of the failure.
6. Any indebtedness for borrowed moneys of the Issuer, other than the indebtedness pursuant to the MTN Programme, becomes due or payable or capable of being declared due or payable prior to its stated maturity or any guarantee or similar obligations of the Issuer is not discharged at maturity or when called and such declaration of indebtedness being due or payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by the Issuer in a court of competent jurisdiction within thirty (30) days from the date of such declaration or call, or the Issuer goes into default under or

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commits a breach of any agreement or instrument relating to any such indebtedness or other obligations, or any security created to secure such indebtedness becomes enforceable.

7. An encumbrancer takes possession of, or a trustee, receiver, receiver and manager or similar officer is appointed in respect of the whole or substantial part of the business or assets of the Issuer, or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against the Issuer which may have a Material Adverse Effect on the Issuer, or any security interest which may for the time being affect any of its assets becomes enforceable.

For the purpose of this paragraph (7), references to “substantial” shall mean, such value equivalent to or more than 5% of the Issuer’s net tangible assets reflected in its latest annual audited financial statements.

For the purposes of this Principal Terms and Conditions (“**PTC**”), Material Adverse Effect means any material adverse effect on the business or condition (financial or otherwise) or results of the operations of the Issuer or the ability of the Issuer to perform any of its obligations under any of the transaction documents.

8. The Issuer fails to satisfy any judgement passed against it by any court of competent jurisdiction and no appeal against such judgement or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed.
9. 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 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.

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10. The Issuer convenes a meeting of its creditors (other than a meeting with the Subscriber under the MTN Programme) or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Facility Agent, unless during or following such reconstruction the Issuer becomes or is declared to be insolvent) or where a scheme of arrangement under section 176 of the Companies Act 1965 has been instituted against the Issuer.
11. Where there is a revocation, withholding or modification of any license, authorisation, approval or consent which in the opinion of the Facility Agent may materially and adversely impairs or prejudices the ability of the Issuer to comply with the terms and conditions of the MTNs or the transaction documents.
12. The Issuer is deemed unable to pay any of its debts or becomes unable to pay any of its debts as they fall due or suspend or threaten to suspend making payments with respect to all or any class of its debts.
13. Any creditor of the Issuer exercises a contractual right to take over the financial management of the Issuer and such event in the opinion of the Facility Agent may have a Material Adverse Effect on the Issuer.
14. The Issuer changes or threatens to change the nature or scope of a substantial part its business, or suspends or threatens to suspend or cease or threatens to cease the operation of a substantial part of its business which it now conducts directly or indirectly and such change or suspension or cessation in the opinion of the Facility Agent may have a Material Adverse Effect on the Issuer.

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15. The Issuer is for the purpose of Section 218 Companies Act 1965 unable to pay any of its debts as they fall due or suspend or threaten to suspend making payments with respect to all or any class of its debts unless the failure to pay is due to a bona fide dispute, which dispute has not been resolved or discharged within six (6) months from the commencement of the dispute.
16. Any creditor of the Issuer exercises a contractual right to take over the financial management of the Issuer.
17. At any time any of the provisions of the transaction documents is or becomes illegal, void, voidable or unenforceable.
18. The Issuer repudiates any of the transaction documents or the Issuer does or causes to be done any act or thing evidencing an intention to repudiate any of the transaction documents.
19. Any of the assets, undertakings, rights or revenue of the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which may have a Material Adverse Effect.
20. Any event or events (other than events mentioned in paragraphs (1) to (19) above) has or have occurred or a situation exists which may have a Material Adverse Effect on the Issuer, and in the case of the occurrence of such event or situation which is capable of being remedied, the Issuer does not remedy it within a period of seven (7) days after the Issuer became aware or having been notified in writing by the Facility Agent of the event or situation.

And such other Events of Default as advised by the Solicitor.

Upon the occurrence of an Event of Default, the Issuer shall redeem the MTNs at such amounts as notified by the Facility Agent plus accrued interest and indemnify to bear any break costs, charges or expenses incurred.

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(t) Covenants : Information Covenants

1. The Issuer shall provide to the Facility Agent at least on an annual basis, a certificate confirming that it has complied with all its obligations under the transaction documents and the terms and conditions of the MTNs and that there does not exist or had not existed, from the date the MTNs were issued, any Events of Default, and if such is not the case, to specify the same.
2. The Issuer shall deliver to the Facility Agent the following:-
 - (a) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years) copies of its consolidated financial statements for that year which shall contain the income statements and balance sheets of the Issuer and which are audited and certified without qualification by a firm of independent certified public accountants acceptable to the Facility Agent;
 - (b) as soon they become available (and in any event within sixty (60) days after the end of the first half of its financial year) copies of its unaudited half yearly consolidated financial statements for that period which shall contain the income statements and balance sheets of the Issuer which are duly certified by any one of its directors;
 - (c) promptly, such additional financial or other information relating to the Issuer's business and its operations as the Facility Agent may from time to time reasonably request; and
 - (d) promptly, all notices or other documents received by the Issuer from any of its shareholders or its creditors which contents may materially and adversely affect the interest of the Subscriber, and a copy of all documents dispatched by the Issuer to its shareholders (or any class of them) in their capacity as shareholders or its creditors generally at the same time as those documents are dispatched to these shareholders or creditors.

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3. The Issuer shall promptly notify the Facility Agent of any change in its condition (financial or otherwise) and of any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer before any court or tribunal or administrative agency which may materially and adversely affect the ability of the Issuer to perform any of its obligations under any of the transaction documents.
4. The Issuer shall promptly notify the Facility Agent of any change in its board of directors and/or shareholders.
5. The Issuer shall promptly give notice to the Facility Agent of the occurrence of any Events of Default and the Issuer shall take all reasonable steps and/or such other steps as may reasonably be requested by the Facility Agent to remedy it within the timeframe stipulated under paragraphs on Events of Default herein and/or mitigate the effect of the Events of Default.

Positive Covenants

1. The Issuer shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable it to own its assets, to carry on its business or for the Issuer to enter into or perform its obligations under the transaction documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the financiers under the transaction documents and the Issuer shall comply with the same.
2. The Issuer shall at all times on demand execute all such further documents and do all such further acts reasonably necessary at any time or times to give further effect to the terms and conditions of the transaction documents.

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3. The Issuer shall exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices.
4. The Issuer shall promptly perform and carry out all its obligations under all the transaction documents (including but not limited to redeeming the MTNs on the relevant Maturity Date(s) or any other date on which the MTNs are due and payable) and ensure that it shall immediately notify the Facility Agent in the event that the Issuer is unable to fulfill or comply with any of the provisions of the transaction documents.
5. The Issuer shall prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Issuer for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Issuer.
6. The Issuer shall promptly comply with all applicable laws including the provisions of the CMSA and/or the notes, circulars, conditions or guidelines issued by SC from time to time.

Negative Covenants

The Issuer shall not undertake the following without the prior written consent of the Facility Agent:

1. The Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing, but excluding liens arising in the ordinary course of business by operation of law and not by way of contract.

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2. The Issuer shall not add, delete, amend or substitute its Memorandum or Articles of Association in a manner inconsistent with the provisions of the transaction documents.
3. The Issuer shall not reduce its authorised or 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.
4. The Issuer shall not make any payments (whether in relation to principal, interest or otherwise) to its shareholders, subsidiaries or associated companies in connection with any loans or advances from its shareholders, subsidiaries or associated companies save and except the Issuer may make payment of interest on such loans or advances if any amount due and payable under any outstanding MTNs or any other borrowings or financing arrangements of the Issuer have been paid in full and such payment of interest will not adversely affect the ability of the Issuer to service its obligations under any outstanding MTNs or any other borrowings or financing arrangements of the Issuer.
5. The Issuer shall not obtain or permit to exist any loans or advances from its shareholders, subsidiaries or associated companies unless these loans and advances are subordinated to the MTN Programme.
6. Subject to paragraph (5) above, the Issuer shall not enter into any agreement with its shareholders, subsidiaries or associated companies unless such agreement is entered into:
 - (a) in the ordinary course of its business;
 - (b) on an arms-length basis; and
 - (c) will not have a Material Adverse Effect on the Issuer.
7. The Issuer shall not use the proceeds of the MTN Programme except for the purposes set out in this PTC.

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8. Save and except in the ordinary course of business, the Issuer shall not lend any money to any party other than to the Issuer's directors, officers or employees as part of their terms of employment.

And such other Covenants as advised by the Solicitor.

(u) Provisions on buy-back and early redemption : Repurchase and cancellation

Except as may otherwise be prohibited by any law, regulations or guidelines, the Issuer or any of its subsidiaries or agent(s) of the Issuer may at any time purchase the MTNs at any price in the open market or by way of private treaty, but these repurchased MTNs shall, if purchased by the Issuer or by its subsidiaries or by agent(s) of the Issuer who is acting for the purchase, be cancelled and cannot be reissued.

Early redemption

The Issuer may redeem in whole or in part (on a pro-rata basis) of a particular tranche(s) of the MTNs before their respective maturity dates and if it does so it shall cancel such MTNs.

Under both scenario above, Issuer shall pay the purchase/early redemption amount plus accrued interest to be calculated from and including the proceeding coupon payment date until and excluding the date of purchase/early redemption based on a 365 days year, and indemnify to bear any break costs, charges or expenses incurred.

(v) Other principal terms and conditions for the issue

(V)(i) Default Interest : Interest on overdue amounts shall be payable at 1% per annum above the base lending rate of BTMUM from and including the relevant due date to but excluding the date of actual payment, calculated based on the actual number of days elapsed and a year of 365 days.

(V)(ii) Redemption : Unless previously redeemed or purchased and cancelled, the MTNs will be redeemed by the Issuer at 100% of their nominal value on their respective maturity dates.

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- (V)(iii) 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 Malaysia or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required, whereupon, the Issuer shall 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.
- (V)(iv) Fees and expenses : All legal and professional fees including but not limited to such costs relating to stamp duties, taxes, and other out-of-pocket expenses incurred pursuant to the Issuer's acceptance of the MTN Programme (notwithstanding non-utilisation of the MTN Programme by the Issuer) shall be borne by the Issuer.
- (V)(v) Guidelines : The MTNs shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM, MyClear and/or any other authority in Malaysia having jurisdiction over matters pertaining to the MTNs.
- (V)(vi) Jurisdiction : The Issuer shall unconditionally and irrevocably submit to the exclusive jurisdictions of the courts of Malaysia.
- (V)(vii) Governing Laws : Laws of Malaysia.