

Tan Chong Motor Holdings Berhad (TCMH or the Issuer)

An Islamic medium term notes programme of RM1,500.0 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement)

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Tan Chong Motor Holdings Berhad ("TCMH" or the "Issuer")
- (2) Address : Registered Address
62-68, Jalan Sultan Azlan Shah,
51200 Wilayah Persekutuan Kuala Lumpur

Business Address
62-68, Jalan Sultan Azlan Shah,
51200 Wilayah Persekutuan Kuala Lumpur
- (3) Date of incorporation: 14 October 1972
- (4) Place of incorporation : Malaysia
- (5) Business/Company : 12969-P
Registration Number
(Old)
- (6) Business/Company : 197201001333
Registration Number
(New)
- (7) Residence status : Resident Controlled Company
- (8) Place of listing : Bursa Malaysia
- (9) Date of listing : 4 February 1974
- (10) Principal activities of : Investment holding
Issuer
- (11) Issued and paid-up : **Issued share capital as at 20 December 2021:**
share capital
RM336,000,000 comprising 7,023,520 (cash) and 664,976,480 (otherwise than cash) ordinary shares each fully paid-up

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(12) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : As at 31 October 2021, the structure of shareholdings and names of the substantial shareholders of the Issuer are as follows:

Name	Direct Interest (No. of shares)	%	Indirect Interest (No. of shares)	%
Tan Chong Consolidated Sdn Bhd	263,828,240	40.45	0	0.00
Employees Provident Fund Board	42,031,800	6.45	0	0.00
Nissan Motor Co. Ltd	37,333,324	5.72	0	0.00
Dato' Tan Heng Chew	33,386,462	5.12	274,781,840 (1)	42.13
Tan Eng Soon	0	0.00	263,828,240 (2)	40.45

Notes:

(1) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn. Bhd. and Wealthmark Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("Act").

(2) Deemed interest by virtue of interest in Tan Chong Consolidated Sdn. Bhd. pursuant to Section 8(4) of the Act.

(13) Board of directors :

No.	Name
1	Dato' Tan Heng Chew
2	Dato' Ng Mann Cheong
3	Dato' (Dr.) Khor Swee Wah @ Koh Bee Leng
4	Ho Wai Ming
5	Lee Min On
6	Ng Chee Hoong
7	Dato' Chan Choun Sien

Additional Notes:

The directors of the Issuer above are as at 20 December 2021.

(14) Disclosure of the following :

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

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No.	Roles	Name of parties
1	Issuer	Tan Chong Motor Holdings Berhad ("TCMH" or the "Issuer")
2	Guarantor	If applicable, to be determined prior to the issuance of any Guaranteed Rated Sukuk Murabahah
3	Principal Adviser	RHB Investment Bank Berhad
4	Lead Arranger	RHB Investment Bank Berhad ("RHB IB")
5	Solicitors	Messrs. Zul Rafique & Partners (acting for the Principal Adviser ("PA")/Lead Arranger ("LA")) ("Solicitors")
6	Shariah Adviser	RHB Islamic Bank Berhad ("RHB Islamic Bank")
7	Sukuk Trustee	Malaysian Trustees Berhad
8	Security Trustee	Malaysian Trustees Berhad, only applicable in relation to secured Unrated Sukuk Murabahah
9	Facility Agent	RHB IB
10	Credit Rating Agency	Malaysian Rating Corporation Berhad ("MARC"), only applicable in relation to the issuance of any Rated Sukuk Murabahah

(b) At the point of distribution

No.	Roles	Name of parties
1	Issuer	TCMH
2	Lead Manager	RHB IB and/or such other financial institution(s) to be appointed by the Issuer (if required) ("LM")

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3	Shariah Adviser	RHB Islamic Bank
4	Facility Agent	RHB IB
5	Central Depository	Bank Negara Malaysia ("BNM")
6	Paying Agent	BNM

(c) After distribution

No.	Roles	Name of parties
1	Issuer	TCMH
2	Guarantor	If applicable, to be determined prior to the issuance of any Guaranteed Rated Sukuk Murabahah
3	Principal Adviser	RHB Investment Bank Berhad
4	Facility Agent	RHB IB
5	Security Trustee	Malaysian Trustees Berhad, only applicable in relation to the secured Unrated Sukuk Murabahah
6	Sukuk Trustee	Malaysian Trustees Berhad
7	Shariah Adviser	RHB Islamic Bank
8	Central Depository	BNM
9	Paying Agent	BNM
10	Credit Rating Agency	MARC, only applicable in relation to the issuance of any Rated Sukuk Murabahah

(C) DETAILS OF FACILITY/PROGRAMME

An Islamic medium term notes programme of RM1,500.0 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement)

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- (1) Name of facility : An Islamic medium term notes programme of RM1,500.0 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement)
- (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) : An Islamic medium term notes ("**Sukuk Murabahah**") programme of RM1,500.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("**Sukuk Murabahah Programme**"), pursuant to which Tan Chong Motor Holdings Berhad ("**TCMH**" or the "**Issuer**") may from time to time issue Sukuk Murabahah based on the Shariah principle of Murabahah (via Tawarruq arrangement), where the aggregate outstanding nominal value of all Sukuk Murabahah issued shall not exceed the limit in nominal value of the Sukuk Murabahah Programme of RM1,500.0 million at any one time.

The Shariah principle of Murabahah (via Tawarruq arrangement) is one (1) of the Shariah principles and concepts approved by the Shariah Advisory Council ("**SAC**") of the Securities Commission Malaysia ("**SC**").

If applicable, the Sukuk Murabahah Programme will be assigned a rating by the Credit Rating Agency (as defined in the section entitled "*Name of credit rating agency, credit rating and amount rated, if applicable*"). Notwithstanding that, the Sukuk Murabahah Programme shall entail multiple issuances of rated Sukuk Murabahah ("**Rated Sukuk Murabahah**") and/or unrated Sukuk Murabahah ("**Unrated Sukuk Murabahah**").

Rated Sukuk Murabahah

In respect of the Rated Sukuk Murabahah, the rating of such Rated Sukuk Murabahah will be based in accordance with the rating to be assigned for the Sukuk Murabahah Programme, and such Rated Sukuk Murabahah may be, at the election of the Issuer:

- (a) Unsecured and without any guarantee ("**Unguaranteed Rated Sukuk Murabahah**"); or
(b) Unsecured and guaranteed by a Financial Guarantor (as defined in the section entitled "*Details of guarantee, if applicable*"),

as set out in the section entitled "*Details of guarantee, if applicable*".

Unrated Sukuk Murabahah

In respect of the Unrated Sukuk Murabahah, such Unrated Sukuk Murabahah shall be secured or unsecured as set out in the section entitled "Secured/combination of unsecured and secured, if applicable" and without any guarantee by a Financial Guarantor.

In addition and subject to the mutual agreement between the Issuer, RHB Investment Bank Berhad as the lead arranger ("**Lead Arranger**") and/or the lead manager ("**Lead Manager**"), where applicable, the Sukuk Murabahah may be subject to such additional specific terms and conditions (to be agreed between the

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Issuer, the Lead Arranger and/or the Lead Manager, where applicable), if any, and set out in a deed of covenants ("**Deed of Covenants**") and/or pricing supplement ("**Pricing Supplement**") or such other documents as advised by the Solicitors to the Lead Arranger and/or the Lead Manager, where applicable, to be issued prior to the issuance of such Sukuk Murabahah. Notwithstanding the foregoing, all terms and conditions relating to the Sukuk Murabahah as stated herein shall remain and continue in full force for such Sukuk Murabahah.

Underlying Transaction

The Sukuk Murabahah issued and to be issued under the Sukuk Murabahah Programme from time to time shall be effect as follows:

Step 1

The sukuk trustee ("**Sukuk Trustee**") (on behalf of the holders of the Sukuk Murabahah ("**Sukukholders**")), via an agency agreement ("**Agency Agreement**"), shall appoint the Issuer as agent of the Sukukholders (in such capacity, "**Agent**") to purchase and sell the Shariah-compliant commodities, which exclude ribawi items in the category of medium of exchange such as currency, gold and silver ("**Commodities**").

The Agent will then enter into a sub-agency agreement ("**Sub-Agency Agreement**") to appoint the facility agent ("**Facility Agent**") as the sub-agent (in such capacity, "**Sub-Agent**") to purchase and sell the Commodities under the Sukuk Murabahah.

Step 2

The Issuer, in its capacity as the purchaser ("**Purchaser**"), will enter into a commodity Murabahah master agreement ("**Commodity Murabahah Master Agreement**") with the Agent, the Sub-Agent and the Sukuk Trustee. Pursuant to the Commodity Murabahah Master Agreement, the Purchaser shall from time to time, issue a purchase order ("**Purchase Order**") to the Agent and the Sub-Agent to purchase the Commodities.

In the Purchase Order, the Purchaser will request the Agent and the Sub-Agent to purchase the Commodities on behalf of the Sukukholders and will irrevocably and unconditionally undertake to purchase the Commodities from the Sukukholders via the Sub-Agent at a deferred sale price which shall be equivalent to the Purchase Price (as defined below) plus the disclosed profit margin to be paid on deferred payment basis ("**Deferred Sale Price**").

Step 3

Upon receiving the Purchase Order from the Purchaser, the Sub-Agent (acting on behalf of the Agent, who in turn acts as agent of the Sukukholders) will purchase on a spot basis, the Commodities, from commodity vendor(s) in the Bursa Suq Al-Sila' commodity trading platform and/or any other independent commodity trading platform acceptable to the Shariah adviser ("**Shariah Adviser**"), which shall be identified prior to each issuance of the Sukuk Murabahah ("**Commodity Seller**"), through a Commodity Trading Participant ("**CTP**"), at a purchase price which shall be an amount equivalent to the proceeds raised from the issuance of the Sukuk Murabahah ("**Purchase Price**"). The Purchase Price shall be in compliance with the asset pricing requirements stipulated under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015, effective on 15 June 2015 and revised on 22 November 2021 (as

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amended and/or substituted from time to time) ("**LOLA Guidelines**"). The Purchase Price shall be payable to such Commodity Seller.

Step 4

The Issuer shall concurrently issue the Sukuk Murabahah from time to time to the Sukukholders whereby the proceeds thereof shall be used to pay the Purchase Price of the Commodities to the Commodity Seller. The Sukuk Murabahah shall evidence the Sukukholders' ownership of the Commodities and all rights thereto (including all rights against the Purchaser under the Purchase Order). Once the Commodities are sold to the Purchaser, the Sukuk Murabahah shall represent the Sukukholders' entitlement to receive the Deferred Sale Price.

Step 5

Thereafter, pursuant to the undertaking to purchase under the Purchase Order, the Sub-Agent (acting on behalf of the Agent, who in turn acts as agent of the Sukukholders) shall sell the Commodities to the Purchaser at the Deferred Sale Price pursuant to a sale and purchase agreement ("**Sale and Purchase Agreement**").

Step 6

Upon completion of such purchase, the Purchaser shall sell, on a spot basis, the Commodities to Bursa Malaysia Islamic Services Sdn Bhd and/or commodity vendor(s) in any other independent commodity trading platform acceptable to the Shariah Adviser, which shall be identified prior to each issuance of the Sukuk Murabahah ("**Commodity Buyer**"), through a CTP, for a cash consideration equivalent to the Purchase Price.

Step 7

The Sukuk Murabahah may be issued with or without periodic profit payments ("**Periodic Profit Payments**"). The Sukuk Murabahah with Periodic Profit Payments may be issued based on a fixed profit rate or a floating profit rate to be agreed between the Issuer and the Lead Manager prior to each issuance of the Sukuk Murabahah. During the tenure of the Sukuk Murabahah, the Purchaser, as part of its obligation to pay the Deferred Sale Price, shall make Periodic Profit Payments or a lump sum payment (in relation to Sukuk Murabahah without Periodic Profit Payments) of the Deferred Sale Price to the Sukukholders. Each such payment shall pro tanto reduce the obligation of the Purchaser on the Deferred Sale Price payable for the Commodities.

- (i) On the maturity date of the relevant Sukuk Murabahah ("**Maturity Date**"); or
- (ii) upon the declaration of an Event of Default (as defined in the section entitled "*Events of defaults or enforcement events, where applicable, including recourse available to investors*"); or
- (iii) upon early redemption of the relevant Sukuk Murabahah (as defined in the section entitled "*Provisions on early redemption, if applicable*"),

whichever is earlier, all amounts then outstanding on the Deferred Sale Price (subject to *Ibra'* (as defined in the section entitled "*Ibra' (for ringgit-denominated sukuk)*")), shall be paid by the Purchaser (as part of its obligation to pay the Deferred Sale Price) to the Sukukholders as final settlement of the same, whereupon the relevant Sukuk Murabahah shall be cancelled.

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Step 8

In the case of the Guaranteed Rated Sukuk Murabahah (as defined in the section entitled “*Details of guarantee, if applicable*”), the Financial Guarantor shall provide an irrevocable and unconditional guarantee under the Shariah principle of Kafalah (“**Guarantee**”) in favour of the Sukuk Trustee on behalf of the relevant holders of the Guaranteed Rated Sukuk Murabahah under which the Financial Guarantor shall unconditionally and irrevocably guarantee the payment obligation of the Issuer to pay the Redemption Amount (as defined in the section entitled “*Events of defaults or enforcement events, where applicable, including recourse available to investors*”) up to an amount equivalent to the nominal value of such Guaranteed Rated Sukuk Murabahah and one (1) Periodic Profit Payment for such Guaranteed Rated Sukuk Murabahah (“**Guaranteed Amounts**”).

The first issuance of Sukuk Murabahah under the Sukuk Murabahah Programme is expected to comprise Guaranteed Rated Sukuk Murabahah and Unrated Sukuk Murabahah, the terms and conditions of which shall be determined and agreed to by the Issuer and the Lead Manager prior to the relevant issue date and which will be reflected in the relevant documentation.

- (5) Currency : Ringgit
- (6) Expected facility/ programme size : Up to MYR 1,500,000,000.00
- (7) Option to upsize (for : Yes
programme)

Additional Notes:

The Issuer has the option to upsize the limit of the Sukuk Murabahah Programme at any time and from time to time subject to the following being fulfilled prior to the exercise of the option to upsize by the Issuer:

- (a) where relevant and applicable, the consents from existing financiers/lenders of the Issuer (excluding the Sukukholders) and/or the Financial Guarantor (if applicable) being obtained;
- (b) the compliance with the relevant requirements under the LOLA Guidelines in relation to the upsizing of the limit of the Sukuk Murabahah Programme; and
- (c) the relevant approvals (if applicable) and necessary corporate authorisations of the Issuer and the Financial Guarantor (if applicable) being obtained.

The Sukukholders shall be deemed to have consented to such upsizing of the limit of the Sukuk Murabahah Programme in the trust deed in relation to the Sukuk Murabahah Programme (“**Trust Deed**”). No further consent will be required from the Sukuk Trustee, the Facility Agent or any other party under the Sukuk Murabahah Programme when the option to upsize the limit of the Sukuk Murabahah Programme is exercised by the Issuer.

- (8) Tenure of facility/ programme : 30 year(s)

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- (9) Availability period for: debt/ sukuk programme : The Sukuk Murabahah shall be available for issuance upon fulfilment of the conditions precedent of the Sukuk Murabahah Programme to the satisfaction of the Lead Arranger (unless otherwise waived or deferred by the Lead Arranger) and ending on the expiry date of the Sukuk Murabahah Programme provided that the first issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme shall be made within sixty (60) business days from the date of lodgement of the required information and documents relating to the Sukuk Murabahah Programme with the SC or such other period as may be approved by the SC.
- (10) Clearing and settlement platform : Bank Negara Malaysia (“BNM”)
- (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
☒ Other-Paragraph 1(a), (b) or (d) of Part I of Schedule 5 of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA.
(ii) After issuance:
☒ Part I of Schedule 6 of the CMSA
☒ Read together with Schedule 9 of CMSA
☒ Other-Paragraph 1(a), (b) or (d) of Part I of Schedule 5 of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA.

Additional Notes:

Selling Restrictions at issuance:

The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to a person to whom an offer or invitation to subscribe the Sukuk Murabahah and to whom the Sukuk Murabahah are issued would fall within paragraph 1(a), (b) or (d) of Part 1 of Schedule 5 of the CMSA, 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, subject to any changes in the applicable laws.

Selling Restrictions after issuance:

The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to a person to whom an offer or invitation to purchase the Sukuk Murabahah would fall within paragraph 1(a), (b) or (d) of Part 1 of Schedule 5 of the CMSA, 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, subject to any changes in the applicable laws.

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- (13) Tradability and transferability : Size in Ringgit which are tradable and transferable:
MYR 1,500,000,000.00
Size in Ringgit which are non-tradable and non-transferable:
Not applicable
Size in Ringgit which are restricted transferability:
Not applicable
- (14) Secured/combination of unsecured and secured, if applicable : Combination.
Each tranche of Unrated Sukuk Murabahah issued under the Sukuk Murabahah Programme may or may not be secured. The Unrated Sukuk Murabahah which are secured will be secured by such security/collateral to be mutually agreed between the Issuer and the Lead Arranger and/or Lead Manager(s) and acceptable to the Shariah Adviser prior to issuance of such secured Unrated Sukuk Murabahah under the relevant tranche. The details of the security/collateral, if applicable, will be set out in the relevant Deed of Covenants and/or Pricing Supplement of such tranche of Unrated Sukuk Murabahah.
- (15) Details of guarantee, if applicable : At the election of the Issuer, the Rated Sukuk Murabahah may be guaranteed via a Guarantee by a financial guarantee insurer or any financial institution ("**Financial Guarantor**") ("**Guaranteed Rated Sukuk Murabahah**"). The Financial Guarantor for such Guaranteed Rated Sukuk Murabahah shall be determined prior to issuance of such Guaranteed Rated Sukuk Murabahah.

The Issuer shall enter into an agreement in respect of the Guarantee facility with the Financial Guarantor ("**Financial Guarantor Facility**") whereby the Financial Guarantor will issue the Guarantee in favour of the Sukuk Trustee on behalf of the relevant holders of the Guaranteed Rated Sukuk Murabahah which the Financial Guarantor shall unconditionally and irrevocably guarantee the Guaranteed Amounts.

The tenure of the Guarantee shall be up to the Maturity Date of the Guaranteed Rated Sukuk Murabahah from the date of the issuance of such Guaranteed Rated Murabahah together with a claim period of up to thirty (30) days thereafter.

For the avoidance of doubt, the Guarantee of such Guaranteed Rated Sukuk Murabahah can be called only once.

A claim may be made on the Guarantee upon the happening of any of the following events:

(i) Upon non-payment by the Issuer of any Periodic Profit Payments in respect of the Guaranteed Rated Sukuk Murabahah subject always to the limit of the amount guaranteed under the Guarantee not being exceeded;

(ii) Upon the declaration of an Event of Default; or

(iii) Upon the non-redemption by the Issuer of the Guaranteed Rated Sukuk Murabahah on the Maturity Date of such Guaranteed Rated Sukuk Murabahah.
- (16) Convertibility of issuance and details of the convertability : Non-convertible

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(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

To include but not be limited to the following:-

(i) the Issuer shall and shall cause its Material Subsidiaries (as defined under item (xvii) in the section entitled “*Other terms and conditions*”) to 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 respective assets, to carry on its respective businesses or for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the Sukukholders or the Sukuk Trustee under the Transaction Documents and the Issuer shall comply with the same;

(ii) 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;

(iii) the Issuer shall and shall cause its Material Subsidiaries to 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(ies) of the Issuer and/or the Material Subsidiaries, as the case may be;

(iv) the Issuer shall promptly perform and carry out all its obligations under all the Transaction Documents (including but not limited to redeeming the Sukuk Murabahah on the relevant Maturity Date(s) or any other date on which the Sukuk Murabahah are due and payable) and ensure that it shall immediately notify the Sukuk Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents;

(v) 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;

(vi) the Issuer shall fully comply with all applicable laws and regulations, including the provisions of the CMSA and/or all notes, circulars, conditions or guidelines

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issued by SC from time to time;

(vii) where the Issuer is required, the Issuer shall fully comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") (as amended from time to time) ("**Listing Requirements**"), including in relation to related party transactions;

(viii) such other covenants as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger.

Positive covenants for each tranche of Sukuk Murabahah

In relation to each tranche of Sukuk Murabahah, such other positive covenants as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger and to be set out in the relevant Deed of Covenants and/or Pricing Supplement of such tranche of Sukuk Murabahah.

Negative covenants

To include but not be limited to the following:-

(i) other than the Sukuk Murabahah Programme and any other existing borrowings or financing disclosed prior to first issue, the Issuer shall not:

(a) obtain or incur any additional borrowings or financing; or

(b) allow or permit any company within the TCMH Group to obtain or incur any additional borrowings or financing;

if there has been a breach of the Financial Covenant (as defined below) and such breach is continuing or such additional borrowings or financing will result in a breach of the Financial Covenant;

(ii) 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 ("**Security Interest**") but excluding:

(a) liens and rights of set-off created or arising in the ordinary course of business or by operation of law and not by way of contract; and

(b) any Security Interest (other than those permitted under paragraph (a) above but including those which secures the Unrated Sukuk Murabahah and/or the Financial Guarantor Facility) which secures an aggregate outstanding principal amount not exceeding ten per centum (10%) of the consolidated net assets of the Issuer as reflected in its latest annual audited consolidated financial statements in the financial year in which such security is created;

(iii) the Issuer shall not sell, transfer, lease (other than by way of operating lease) or otherwise dispose of or in any case, cease to exercise control over, whether by a single transaction or a number of transactions, related or not, the whole or part of the Issuer's undertaking, business or assets save and except for a sale or disposal which will not have a Material Adverse Effect (as defined under item (xvii) in the section entitled "*Other terms and conditions*");

(iv) the Issuer shall not add, delete, amend or substitute its memorandum or articles of association/constitution in a manner inconsistent with the provisions of

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the Transaction Documents or in any manner which may be materially prejudicial to the interests of the Sukukholders;

(v) the Issuer shall not, save and except for share buy-back by the Issuer up to the maximum amount of its issued and paid up share capital as permitted by its articles of association/constitution and in accordance with Section 127 of the Companies Act 2016 and any other applicable laws, reduce its paid-up share capital;

(vi) the Issuer shall not declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders if:

(a) an Event of Default or Potential Event of Default (as defined in the section entitled "*Information covenants*") has occurred or is continuing or would occur if such payment or distribution is made; or

(b) the Financial Covenant has been breached or a breach would occur if such payment or distribution is made;

(vii) the Issuer shall not obtain or permit to exist any loans or advances from its shareholders or associated companies unless these loans and advances are subordinated to the Sukuk Murabahah;

(viii) in the event that the Listing Requirements are no longer applicable to the Issuer, the Issuer shall not enter into a transaction which involves the interest (direct or indirect) of the Issuer's Interested Persons (as defined in the SC's Guidelines on Trust Deeds issued on 12 July 2011 and revised on 23 July 2020 ("**Trust Deeds Guidelines**")) including its directors, major shareholders and chief executive ("**Interested Persons**") unless:

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

(b) with respect to transactions involving an aggregate payment or value equal to or greater than RM150.0 million, the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms;

PROVIDED THAT:

(aa) the Issuer certifies to the Sukuk Trustee that the transaction complies with paragraph (a) above;

(bb) the Issuer has received and furnished to the Sukuk Trustee the certification referred to in paragraph (b) above (where applicable); and

(cc) 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;

(ix) the Issuer shall not use the proceeds of the Sukuk Murabahah Programme except for the purposes set out under item (ii) in the section entitled "*Other terms and conditions*";

(x) the Issuer shall not lend any money or advance money to any party other than in conformity with the Listing Requirements; and

(xi) such other covenants as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger.

Negative covenants for each tranche of Sukuk Murabahah

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In relation to each tranche of Sukuk Murabahah, such other negative covenants as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger and to be set out in the relevant Deed of Covenants and/or Pricing Supplement of such tranche of Sukuk Murabahah.

Financial Covenants

The Issuer shall maintain at all times a Finance to Equity ratio (as defined below) of not more than 1.5 times throughout the tenure of the Sukuk Murabahah Programme.

The “**Finance to Equity Ratio**” shall mean the ratio of indebtedness of the TCMH Group represented by:

- (i) all amounts outstanding under the Sukuk Murabahah; and
- (ii) all other indebtedness for borrowed monies under conventional or Shariah-compliant financing arrangements, hire purchase obligations, finance lease obligations, net exposure determined on a marked to market basis under any derivative instrument and obligations under guarantees and letters of credits of the TCMH Group;

to its consolidated shareholders’ funds including minority interest, including any subordinated shareholders’ advances and loans and retained earnings or losses.

For the avoidance of doubt, the indebtedness of the TCMH Group as defined above shall exclude (i) those amounts owing to trade and other creditors and arising from the ordinary course of business; (ii) any asset-backed securities transactions originated by any company within the TCMH Group which shall have no recourse to the TCMH Group and approved by and/or lodged with the SC; and (iii) indebtedness for Project Financing (as defined below).

“**Project Financing**” means any financing of all or part of the costs of the acquisition, construction or development of any infrastructure project entered into by the Issuer or any company of the TCMH Group, provided that:

- (i) any Security Interest given, if any, by the Issuer or any company of the TCMH Group is limited solely to the assets of the project;
- (ii) the party or party providing such financing expressly agrees to limit their recourse to the project financed and the revenues derived from such project as the principal source of payment for the moneys advanced; and
- (iii) there is no other recourse to the Issuer or any company of the TCMH Group (save and except for the borrower and obligor for the financing) in respect of any default by any party under the financing,

as the same may be renewed or refinanced from time to time, provided that such renewal or refinancing is pursuant to a financing arrangement which satisfies items (i), (ii) and (iii) above.

The Finance to Equity Ratio shall be calculated on a yearly basis based on the Issuer’s latest consolidated audited accounts and the Issuer shall provide to the Sukuk Trustee and the Credit Rating Agency, a yearly compliance certificate duly signed by any two (2) directors of the Issuer.

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

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Information Covenants

Information covenants shall include but not be limited to the following:

- (i) the Issuer shall provide to the Sukuk Trustee and the Credit Rating Agency at least on an annual basis, a certificate signed by any two (2) directors of the Issuer confirming that it has complied with all its obligations under the Transaction Documents and the terms and conditions of the Sukuk Murabahah and that there does not exist or had not existed, from the date the Sukuk Murabahah were issued or the date of previous certificate, as the case may be, any Event of Default or Potential Event of Default, and if such is not the case, to specify the same;
- (ii) the Issuer shall deliver to the Sukuk Trustee the following:
 - (a) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years) copies of its consolidated financial statements for that year which shall contain the statements of comprehensive income and statements of financial position of the Issuer and which are audited and certified without qualification by a firm of independent certified public accountants ;
 - (b) as soon as they become available (and in any event within ninety (90) 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 statements of comprehensive income and statements of financial position of the Issuer, which are duly certified by authorised officers;
 - (c) promptly, such additional financial or other information relating to the Issuer and its Material Subsidiaries' businesses, affairs and its respective operations or any other information as the Sukuk Trustee may from time to time reasonably require for the performance of its duties, obligations and the exercise of its power under the relevant Transaction Documents, to the extent permitted under the law;
 - (d) promptly, all accounts, reports, statements, notices or other documents received by the Issuer from any of its shareholders or its creditors concerning any matters event or occurrence which contents may have Material Adverse Effect; and
 - (e) promptly, a copy of all accounts, reports, statements, notices, circulars or other documents issued by the Issuer to its shareholders (or any class of them) in their capacity as shareholders or its creditors which are material and substantial to or necessary for the Sukukholders to make informed investment decisions generally at the same time as these documents are dispatched to these shareholders or creditors which may then be circulated by the Sukuk Trustee at its discretion to the Sukukholders and the Credit Rating Agency;
- (iii) the Issuer shall promptly notify the Sukuk Trustee of any change in its board of directors unless announcement of such change has already been made to Bursa Securities;
- (iv) the Issuer shall upon becoming aware 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 or its Material Subsidiaries before any court or tribunal or administrative agency which may have a Material Adverse Effect, promptly notify the Sukuk Trustee and the Credit Rating Agency of the same;
- (v) the Issuer shall upon becoming aware of the occurrence of any Event of Default

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or any event which, upon the giving of notice and/or lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the relevant Transaction Documents would constitute an Event of Default ("**Potential Event of Default**") promptly give notice to the Sukuk Trustee and the Credit Rating Agency of the same, and it shall take all reasonable steps and/or such other steps as may reasonably be requested by the Sukuk Trustee to remedy and/or mitigate the effect of the Event of Default or the Potential Event of Default; and

(vi) such other covenants as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger.

Information covenants for each tranche of Sukuk Murabahah

In relation to each tranche of Sukuk Murabahah, such other information covenants as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger and to be set out in the relevant Deed of Covenants and/or Pricing Supplement of such tranche of Sukuk Murabahah.

(21) Details of designated account, if applicable :

Name of account:
To be determined, if applicable

Parties responsible for opening the account:
To be determined, if applicable

Parties responsible for maintaining/operating account:
To be determined, if applicable

Signatories to account:
To be determined, if applicable

Sources of funds:
To be determined, if applicable

Utilisation of funds:
To be determined, if applicable

Additional Notes:

For each tranche of Unrated Sukuk Murabahah issued under the Sukuk Murabahah Programme, there may be Shariah-compliant designated account(s) ("**Designated Account(s)**") to be agreed between the Sukukholders of the Unrated Sukuk Murabahah, the Issuer and the Lead Arranger. The details of the Designated Account(s), if applicable, will be set out in the relevant Deed of Covenants and/or Pricing Supplement of such tranche of Unrated Sukuk Murabahah.

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

No.	Credit rating agency	Credit rating	Final/indicative rating	Name of Class/Series/Tranche	Amount rated

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1	Malaysian Rating Corporation Bhd (MARC)	A+ IS	Indicative rating	To be determined	MYR 500,000,000.00
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Additional Notes:

The A+/IS indicative credit rating assigned by MARC refers to the credit rating for the Unguaranteed Rated Sukuk Murabahah of up to RM500.0 million, and shall be applicable in the event the Issuer selects to issue Unguaranteed Rated Sukuk Murabahah under the Sukuk Murabahah Programme.

Each Sukuk Murabahah to be issued under the Sukuk Murabahah Programme may either be Unguaranteed Rated Sukuk Murabahah, Guaranteed Rated Sukuk Murabahah and/or Unrated Sukuk Murabahah as the Issuer may select prior to each issuance.

In the event the Issuer selects to issue Unguaranteed Rated Sukuk Murabahah or Guaranteed Rated Sukuk Murabahah under the Sukuk Murabahah Programme, such rating exercise shall be conducted by MARC prior to the issuance of such Unguaranteed Rated Sukuk Murabahah or Guaranteed Rated Sukuk Murabahah.

- (23) Conditions precedent :
- The availability of the Sukuk Murabahah Programme shall be subject to compliance of all conditions precedent (in the form and substance acceptable to the Lead Arranger) including, without limitation, the following:
 - (i) the relevant Transaction Documents pertaining to the Sukuk Murabahah Programme have been executed, stamped, or endorsed as exempted from stamp duty, where applicable;
 - (ii) receipt of a certified true copy of the board of directors' resolution of the Issuer authorising, amongst others, the execution of the Transaction Documents and the performance and carrying out of the transactions contemplated therein;
 - (iii) receipt of a certified true copy each of the certificate of incorporation, memorandum and articles of association/constitution and the latest Return for Allotment of Shares (or Form 24 as prescribed under the Companies Act 1965), the Notification of Change in the Registered Address (or Form 44 as prescribed under the Companies Act 1965), and the Notification of Change in the Register of Directors, Managers and Secretaries (or Form 49 as prescribed under the Companies Act 1965) of the Issuer;
 - (iv) receipt of a list of the Issuer's authorised signatories and their respective specimen signatures for the Sukuk Murabahah Programme;
 - (v) receipt of the legal due diligence report on the Issuer to be prepared by the Lead Arranger's Solicitors which shall be reasonably satisfactory to the Lead Arranger;
 - (vi) receipt of endorsement from the SC in respect of the Shariah structure of the Sukuk Murabahah Programme;
 - (vii) evidence that all relevant information and documents as required under the LOLA Guidelines in respect of the Sukuk Murabahah Programme has been lodged with the SC;

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(viii) confirmation from the Shariah Adviser that the structure and mechanism together with the Transaction Documents of the Sukuk Murabahah Programme are in compliance with Shariah;

(ix) receipt of a report of the relevant company search conducted at the Companies Commission of Malaysia and winding-up search on the Issuer conducted at the office of the Director-General of Insolvency stating that the Issuer is not wound up;

(x) the Lead Arranger has received from its solicitors a favourable legal opinion addressed to it and the Sukuk Trustee advising with respect to, among others:

(a) the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to the Lead Arranger that all the conditions precedent have been fulfilled; and

(b) all regulatory approvals/consents which are required shall have been duly obtained for the Sukuk Murabahah Programme and for the execution of the Transaction Documents by the Issuer;

(xi) evidence of arrangement (acceptable to the Lead Arranger) for the payment of all relevant transaction fees, costs and expenses in relation to the Sukuk Murabahah Programme;

(xii) confirmation from the Sukuk Trustee that the TRA (as defined under item (xv) in the section entitled "*Other terms and conditions*") has been opened with such financial institution acceptable to the Lead Arranger and a certified true copy of the Issuer's board of directors' resolution in relation to the opening and maintenance of the TRA and a sum of at least Ringgit Malaysia One Hundred Thousand (RM100,000.00) has been deposited therein;

(xiii) if applicable, consent/approval from the existing lenders/financiers of the Issuer, as required and where applicable, for the establishment of the Sukuk Murabahah Programme have been obtained; and

(xiv) such other conditions precedent as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger.

For Each Issuance:

If applicable, receipt of the Shariah Adviser's confirmation that the utilisation of the Sukuk Murabahah proceeds is Shariah compliant.

Each issuance of the Sukuk Murabahah shall be subject to such other conditions as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Manager, including a condition that no Event of Default having occurred or which would occur if the relevant issuance is made.

For Guaranteed Rated Sukuk Murabahah:

The issuance of the Guaranteed Rated Sukuk Murabahah shall be subject to compliance of all conditions precedent (in the form and substance acceptable to the Lead Arranger) including the following:

(i) receipt of the executed Guarantee from the elected Financial Guarantor which shall unconditionally and irrevocably guarantee the payment obligation of the Issuer for the principal amount and one (1) Periodic Profit Payment for the Guaranteed Rated Sukuk Murabahah; and

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(ii) such other conditions precedent as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Manager.

(24) Representations and warranties

The Issuer hereby represents and warrants as follows:

(i) the Issuer and each of its Material Subsidiaries 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 property and assets and has full beneficial ownership of all its assets;

(ii) the memorandum and articles of association/constitution of the Issuer incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorise, the Issuer to execute and deliver and perform the transactions contemplated in the Transaction Documents in accordance with their terms;

(iii) neither the execution and delivery of any of the Transaction Documents nor the performance of any of the transactions contemplated by the Transaction Documents did or does as at the date this representation and warranty is made or repeated (a) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, licence, permit or consent by which the Issuer or any of its assets is bound or which is applicable to the Issuer or any of its assets, (b) cause any limitation on the Issuer or the powers of its directors, whether imposed by or contained in its memorandum and articles of association/constitution or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise, to be exceeded, or (c) cause the creation or imposition of any security interest or restriction of any nature on any of the Issuer's assets;

(iv) 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; and

(v) such other representations and warranties as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger.

Representations and warranties for each tranche of Sukuk Murabahah

In relation to each tranche of Sukuk Murabahah, such other representations and warranties as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger and to be set out in the relevant Pricing Supplement and/or Deed of Covenants of such tranche of Sukuk Murabahah.

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- (25) Events of defaults or : enforcement events, where applicable, including recourse available to investors
- The events of default shall include but not be limited to the following (collectively, the **“Events of Default”** and each an **“Event of Default”**):
- (i) the Issuer fails to pay any amount due from it under any of the Transaction Documents on the due date, or if so payable, on demand;
 - (ii) any representation or warranty made or given by 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 Sukuk Murabahah and/or any of the Transaction Documents proves to have been incorrect or misleading in a material respect on or as of the date made or given or deemed made or given, and in the case of a failure which in the reasonable opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of thirty (30) business days after the Issuer became aware or having been notified in writing by the Sukuk Trustee of the failure, whichever is earlier;
 - (iii) the Issuer fails to observe or perform any of its obligations under any of the Transaction Documents or the Sukuk Murabahah or under any undertaking or arrangement entered into in connection therewith other than an obligation of the type referred to in paragraph (i) above, and in the case of a failure which in the reasonable opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of thirty (30) business days after the Issuer became aware or having been notified in writing by the Sukuk Trustee of the failure, whichever is earlier;
 - (iv) there has been a breach by the Issuer of any obligation under any of the Issuer’s existing contractual obligations which may have a Material Adverse Effect and, if in the reasonable opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of thirty (30) business days after the Issuer became aware or having been notified in writing by the Sukuk Trustee of the breach, whichever is earlier;
 - (v) any other indebtedness for borrowed moneys of the Issuer or any of its Material Subsidiaries 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 or any of its Material Subsidiaries 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 by the Issuer or any of its Material Subsidiaries within thirty (30) business days from the date of such declaration or call, or the Issuer or any of its Material Subsidiaries goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, guarantee or other obligations, or any security created to secure such indebtedness becomes enforceable provided that it shall not be an Event of Default if such indebtedness is disputed in good faith by the Issuer or such Material Subsidiary in a court of competent jurisdiction within thirty (30) business days from the date of such declaration or call and such dispute is resolved in favour of the Issuer or such Material Subsidiary within one hundred and twenty (120) days from the date of such declaration or call provided that it shall not be an Event of Default if the aggregate amount of indebtedness falling within this provision is less than five per centum (5%) of the consolidated net assets of the Issuer determined by reference to its latest audited consolidated accounts;
 - (vi) an encumbrancer takes possession of, or a trustee, receiver, receiver and manager, judicial manager or other officer acting in similar capacity is appointed, or

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distress, legal process, sequestration or any form of execution is levied or enforced or sued out against any of the undertaking, assets, rights or revenues of the Issuer or any of its Material Subsidiaries to recover any indebtedness the aggregate amount of which is not less than five per centum (5%) of the consolidated net assets of the Issuer determined by reference to its latest audited consolidated accounts and the result of such enforcement is reasonably likely to have a Material Adverse Effect provided that it shall not be an Event of Default if such enforcement is disputed in good faith by the Issuer or such Material Subsidiary in a court of competent jurisdiction within thirty (30) business days from the date of such enforcement and such dispute is resolved in favour of the Issuer or such Material Subsidiary within one hundred and twenty (120) days from the date of such enforcement;

(vii) the Issuer or any of its Material Subsidiaries fails to satisfy any judgement passed against it by any court of competent jurisdiction and no appeal against such judgement has been made to any appropriate appellate court within the time prescribed by law provided that it shall not be an Event of Default if (i) such judgment is appealed by the Issuer or such Material Subsidiary in any appropriate appellate court and such appeal is resolved in favour of the Issuer or such Material Subsidiary within one hundred and twenty (120) days from the date of the filing of the appeal or (ii) such judgment has not or will not have a Material Adverse Effect;

(viii) any step is taken for the winding up, dissolution or liquidation of the Issuer or any of its Material Subsidiaries or a resolution is passed for the winding up of the Issuer or any of its Material Subsidiaries or a petition for winding up is presented against the Issuer or any of its Material Subsidiaries (other than for the purposes of and followed by a reconstruction previously approved in writing by the Sukuk Trustee unless during or following such reconstruction the Issuer or such Material Subsidiary becomes or is declared to be insolvent) and the Issuer or any of its Material Subsidiaries has not taken any action in good faith to set aside such petition within twenty one (21) business days from the date of service of such winding up petition or a winding up order has been made against the Issuer or any of its Material Subsidiaries;

(ix) the Issuer or any of its Material Subsidiaries 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 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 or where a scheme of arrangement or any other corporate rescue mechanism under the Companies Act 2016 has been instituted by or against the Company or any of its Material Subsidiaries (other than for the purposes of and followed by a reconstruction previously approved in writing by the Sukuk Trustee, unless during or following such reconstruction it becomes or is declared to be insolvent);

(x) where there is a revocation, withholding, invalidation or modification of any licence, authorisation, approval or consent required by the Issuer or any of its Material Subsidiaries to carry on its business as conducted as at the date of the Trust Deed, which in the reasonable opinion of the Sukuk Trustee may have a Material Adverse Effect;

(xi) the Issuer or any of its Material Subsidiaries is deemed unable to pay any of its

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debts within the meaning of Section 466(1) of the Companies Act 2016 or becomes unable to pay any of its debts as they fall due or suspends or threatens to suspend making payments with respect to all or any class of its debts provided that it shall not be an Event of Default if the amount of debt(s) in question is less than five per centum (5%) of the consolidated net assets of the Issuer determined by reference to its latest audited consolidated accounts;

(xii) any creditor of the Issuer or any of its Material Subsidiaries exercises a contractual right to take over the financial management of the Issuer or any of its Material Subsidiaries and such event in the reasonable opinion of the Sukuk Trustee may have a Material Adverse Effect;

(xiii) the Issuer or any of its Material Subsidiaries changes or threatens to change the nature or scope of its business, or suspends or threatens to suspend or cease or threatens to cease the operation of its business which it now conducts and such change or suspension or cessation in the reasonable opinion of the Sukuk Trustee may have a Material Adverse Effect;

(xiv) 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;

(xv) any of the assets, undertakings, rights or revenue of the Issuer or any of its Material Subsidiaries are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which in the reasonable opinion of the Sukuk Trustee may have a Material Adverse Effect;

(xvi) any event or events has or have occurred or a situation exists which in the reasonable opinion of the Sukuk Trustee in relation to the Issuer is reasonably likely to have a Material Adverse Effect and in the case of the occurrence of such event or situation which in the reasonable opinion of the Sukuk Trustee is capable of being remedied, the Issuer or the TCMH Group as the case may be, does not remedy it within a period of thirty (30) business days after the Issuer became aware or having been notified in writing by the Sukuk Trustee of the event or situation, whichever is earlier; or

(xvii) such other Events of Default as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger.

Events of Default for each tranche of Sukuk Murabahah

In relation to each tranche of Sukuk Murabahah, such other Events of Default as may be advised by the Solicitors to the Lead Arranger and mutually agreed by the Issuer and the Lead Arranger and to be set out in the relevant Deed of Covenants and/or Pricing Supplement of such tranche of Sukuk Murabahah.

Upon the occurrence of an Event of Default and for so long as such Event of Default remains outstanding and unremedied, the Sukuk Trustee may or shall (if directed to do so by the Sukukholders) declare that an Event of Default has occurred, and in furtherance thereto, the Sukuk Trustee may or shall (if directed to do so by the Sukukholders) exercise its rights under the Transaction Documents, including declaring that the Redemption Amount and all other amount payable under the Transaction Documents shall become immediately due and payable and may take such proceedings against the Issuer as it may deem fit to enforce its rights under the Transaction Documents.

“Redemption Amount” means the amount equivalent to the Deferred Sale Price at

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the date of issuance of the Sukuk Murabahah less the aggregate of Periodic Profit Payments paid (if any) and Ibra' (if any).

In the case of the Guaranteed Rated Sukuk Murabahah, the Sukuk Trustee on behalf of the Sukukholders in respect of such Guaranteed Rated Sukuk Murabahah shall, upon the declaration of an Event of Default, make a claim on the Guarantee up to an amount equivalent to the nominal value of such Guaranteed Rated Sukuk Murabahah and one (1) Periodic Profit Payment.

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(26) Governing laws : Laws of Malaysia

(27) Provisions on buy-back, if applicable : The Issuer or its subsidiaries or the agent(s) of the Issuer may at any time purchase the Sukuk Murabahah or any part thereof at any price in the open market or by private treaty, provided that such Sukuk Murabahah purchased by the Issuer or its subsidiaries or the agent(s) of the Issuer shall be cancelled and cannot be resold.

Any of the Sukuk Murabahah purchased in the open market or by private treaty by the Issuer's related corporations (other than the Issuer's subsidiaries) or Interested Persons 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 contained in the Trust Deeds Guidelines.

(28) Provisions on early redemption, if applicable : Subject to the approval of the Sukukholders of the relevant Tranche (as defined in the section entitled "Voting") by way of an extraordinary resolution, the Issuer may early redeem the Sukuk Murabahah of such Tranche prior to their Maturity Date(s) at any price as mutually agreed between the Issuer and the Sukukholders of such Tranche.

For the purposes of this section, an "extraordinary resolution" means a resolution passed at a meeting of Sukukholders duly convened and held in accordance with the provisions of the Trust Deed:-

(i) in the case of voting by a show of hands, by a majority consisting of not less than seventy-five per centum (75%) in number of the persons voting thereon; or

(ii) in the case of a poll, by a majority in number of the persons voting thereon who in aggregate hold not less than seventy-five per centum (75%) of the votes given on such poll.

The Sukuk Murabahah which are redeemed by the Issuer are to be cancelled.

(29) Voting : **Prior to upsizing of the Sukuk Murabahah Programme**

All matters/resolutions which require the Sukukholders' consent/approval under the Sukuk Murabahah Programme shall be carried out in the following manner:

(i) The Sukukholders of the relevant Tranche of Unguaranteed Rated Sukuk Murabahah shall be entitled to vote, on a collective basis, on such matters specific to such Unguaranteed Rated Sukuk Murabahah under the same Tranche only;

(ii) The Sukukholders of the relevant Tranche of Unrated Sukuk Murabahah shall be entitled to vote, on a collective basis, on such matters specific to such Unrated Sukuk Murabahah under the same Tranche only;

(iii) The Sukukholders of the relevant Tranche of Guaranteed Rated Sukuk Murabahah shall be entitled to vote, on a collective basis, on such matters specific to such Guaranteed Rated Sukuk Murabahah under the same Tranche only; and

(iv) For matters applicable to the Sukuk Murabahah for all Tranches and/or Sukuk Murabahah Programme in general, the same shall only be carried out if the Sukukholders of all Tranches vote in the same manner as above.

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Post upsizing of the Sukuk Murabahah Programme

All matters/resolutions which require the Sukukholders' consent/approval under the Sukuk Murabahah Programme shall be carried out on a "per Series" basis.

For the purpose of this clause, "**Tranche**" shall mean, in relation to any Sukuk Murabahah, such Sukuk Murabahah with the same terms and conditions (including the security/collateral) other than the issue date, Maturity Date and profit rate. Each Tranche may comprise one or more Series.

"**Series**" shall mean, in relation to any Sukuk Murabahah, such Sukuk Murabahah with the same issue date.

- (30) Permitted investments, if applicable : If applicable, Permitted Investments shall comprise investments in Shariah-compliant products approved by the SAC of the SC, SAC of BNM or other recognised Shariah authorities. For the purpose of the Sukuk, "**Permitted Investments**" shall mean:
- (i) Sukuk guaranteed by the Government of Malaysia ("**GOM**");
 - (ii) Sukuk issued in Malaysia with the approval of the GOM by any authority established under federal or state law;
 - (iii) Islamic money market instruments (where there is the flexibility of early withdrawal without incurring any penalty) such as Islamic bankers' acceptance issued or Islamic promissory notes or Islamic certificates of deposits issued by any Islamic bank licensed pursuant to the Islamic Financial Services Act 2013 ("**IFSA**") and having a minimum long term rating of A3/A- and short term rating of P1/MARC-1 or its equivalent;
 - (iv) Other Islamic deposits or accounts with any licensed Islamic bank with minimum rating A3/A- or P1/MARC-1 or its equivalent pursuant to the IFSA; and
 - (v) Other sukuk of private entities having a long term rating of at least AAA and short term rating of P1/MARC-1 or its equivalent,
- provided that such investments in Sukuk which are equities in nature or incorporate loss-sharing mechanism shall not be allowed.
- (31) Ta'widh (for ringgit-denominated sukuk) : In the event of delay in payments of the Deferred Sale Price under the Sukuk Murabahah, the Issuer shall pay to the Sukukholder(s) Ta'widh (compensation) on such delayed payments at the rate and in the manner prescribed by the SAC of SC from time to time.
- (32) Ibra' (for ringgit-denominated sukuk) : An Ibra', where applicable, shall be granted by the Sukukholders. The Sukukholders in subscribing to or purchasing the Sukuk Murabahah consent to grant an Ibra' (if any) on the Deferred Sale Price upon the occurrence of any of the following events:
- (i) if the Sukuk Murabahah is redeemed before the Maturity Date of the relevant Sukuk Murabahah (pursuant to an early redemption, if applicable); or
 - (ii) if the Sukuk Murabahah is redeemed on the Maturity Date, in the case of Sukuk Murabahah issued with Periodic Profit Payments on floating rate; or
 - (iii) if the Sukuk Murabahah is redeemed upon the date of the declaration of an

An Islamic medium term notes programme of RM1,500.0 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement)

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Event of Default.

Ibra' refers to an act of releasing absolutely or conditionally the Sukukholders' rights and claims on any obligation against another party which would result in the latter being discharged of his/its obligation or liabilities towards the former. The release may be either partially or in full. The Ibra' shall be subject to the requirements stipulated under the LOLA Guidelines.

If the Sukuk Murabahah is redeemed before the Maturity Date of the relevant Sukuk Murabahah pursuant to an early redemption, the amount of Ibra' (if any) shall be at the discretion of the Sukukholders (to be determined by an extraordinary resolution) based on a formula to be mutually agreed by both parties.

If the Sukuk Murabahah is redeemed on the Maturity Date, in the case of Sukuk Murabahah issued with Periodic Profit Payments on floating rate, the Ibra' for redemption shall be the Floating Rate Rebate (as defined below). For avoidance of doubt, Ibra' is not applicable for redemption of Sukuk Murabahah issued with Periodic Profit Payments on fixed rate on the Maturity Date.

If the Sukuk Murabahah is redeemed upon the date of the declaration of an Event of Default, the amount of Ibra' shall be calculated as follows:

(i) In the case of Sukuk Murabahah issued with Periodic Profit Payments on fixed rate, the Ibra' for redemption shall be the unearned Periodic Profit Payments due to the Sukukholders and calculated from the date of declaration of an Event of Default up to the Sukuk Murabahah's respective Maturity Date(s).

(ii) In the case of Sukuk Murabahah issued with Periodic Profit Payments on floating rate, the Ibra' for redemption shall be the Floating Rate Rebate and the aggregate of the unearned Periodic Profit Payments due to the Sukukholders and calculated from the date of the declaration of an Event of Default up to the Sukuk Murabahah's respective Maturity Date(s).

(iii) In the case of Sukuk Murabahah issued without Periodic Profit Payments and issued at a discount, the Ibra' for redemption shall be the unaccrued discount amount calculated from the date of the declaration of an Event of Default up to the Sukuk Murabahah's respective Maturity Date(s).

The "**Floating Rate Rebate**" shall be the aggregate differences at each Periodic Profit Payments period between (a) the Periodic Profit Payments calculated based on the Ceiling Rate (as defined under item (iv) in the section entitled "Other terms and conditions") and (b) the Periodic Profit Payments paid based on the Effective Rate, both calculated from the issue date of the relevant Sukuk Murabahah issued with Periodic Profit Payments on floating rate to (i) the Maturity Date or (ii) the date of declaration of an Event of Default, whichever is earlier. Ibra' shall be granted if the Effective Rate is lower than the Ceiling Rate. If the Effective Rate is higher than the Ceiling Rate, the Issuer shall be obliged to make Periodic Profit Payments at the agreed Ceiling Rate only.

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

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

(34) Waivers from : There is no waiver sought and obtained from the SC in relation to the compliance

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complying with
Guidelines on
Unlisted Capital
Market Products
under the Lodge and
Launch Framework
and other relevant
guidelines of the SC
obtained for the
facility/programme, if
any

with the LOLA Guidelines and other guidelines of the SC in relation to the Sukuk Murabahah.