APPENDIX II

STANDARD TERMS AND CONDITIONS COVERING SHARE MARGIN FINANCING-i FACILITY(IES) ("SMF-i FACILITY") GRANTED BY RHB ISLAMIC BANK BERHAD ("BANK") FORMING PART OF THE BANK'S LETTER OF OFFER

Words and expressions defined in the Letter of Offer, unless otherwise expressly defined in this Appendix II, have the same meanings when used in this Appendix II.

In addition to those words and expressions already defined in the Letter of Offer, the following expressions used or referred to in this Appendix II shall have the meanings ascribed to them as follows: -

Agency	means the agency created in accordance with the Letter of Agency;
Bank	means **RHB ISLAMIC BANK BERHAD (Registration No. 200501003283) (680329-V))**, a company incorporated in Malaysia and having its registered office at Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur and shall, where the context so admits, includes persons deriving title thereunder and its successors in title and assigns and shall include any branch office of the Bank;
Brokerage Fee ***(including renewal upon expiry of the 5-year tenure)***	means: a) the fee (subject to any Taxes) as set out in this Appendix II payable by the Customer for each Commodity Murabahah via Tawarruq Transaction and includes any revised brokerage fee which may be charged by the Commodity Broker; or b) the fee imposed for the purpose of share trading transaction, as the case may be;
Commodity	means such Shariah compliant commodities, which exclude ribawi items in the category of medium of exchange such as crude palm oil (CPO), soy or metal like aluminium and copper, or a combination of available commodities which is acceptable to the Bank;
Commodity Broker	means the commodity broker purchasing the Commodity from the Customer under the Commodity Murabahah via Tawarruq Facilities;
Commodity Murabahah via Tawarruq	means the Shariah principle which refers to the trading of commodities which act as underlying assets of a transaction;
Commodity Murabahah via Tawarruq Facilities	means such SMF-i Facility as may be made available by the Bank under the Shariah principle of Commodity Murabahah via Tawarruq;
Commodity Murabahah via Tawarruq Transaction	means collectively the Commodity Purchase and the Commodity Sale under the Commodity Murabahah via Tawarruq Facilities whereby this commodity transaction is made using a commodity trading platform that allows commodity purchase and sale transactions based on Tawarruq to be carried out and has been approved by the Shariah Committee of RHB Islamic Bank. Current commodity transactions are using the DDCAP Group platform and are subject to change from time to time;
Commodity Purchase	means the transaction between the Bank and the Commodity Supplier under the Commodity Murabahah via Tawarruq Facilities wherein the Commodity is purchased by the Bank from the Commodity Supplier pursuant to the Bank's acceptance of the Commodity Purchase Order;
Commodity Purchase Certificate	means the certificate evidencing the Commodity Purchase;
Commodity Purchase Order	means under the Commodity Murabahah via Tawarruq Facilities, a request issued by the Customer to the Bank to purchase the Commodity at the Commodity Purchase Price;
Commodity Purchase Price	means the purchase price payable by the Bank to the Commodity Supplier for the Commodity Purchase for each of the respective facilities under the Commodity Murabahah via Tawarruq Facilities;
Commodity Sale	means the transaction between the Bank and the Customer's Agent wherein the Commodity is sold by the Bank to the Customer's Agent at a Deferred Sale Price payable to the Bank on deferred payment terms and accepted by the Customer's Agent as evidenced by the Commodity Sale Certificate to the Letter of Offer for each of the

	respective facilities under the Murabahah via Tawarruq Facilities;
Commodity Sale Certificate	means the certificate evidencing the Commodity Sale;
Commodity Supplier	means the commodity broker from whom the Bank purchases the Commodity pursuant to the Customer's issuance of the Commodity Purchase Order under the Commodity Murabahah via Tawarruq Facilities;
Commodity Trading Certificate	means the Commodity Purchase Certificate, Commodity Sale Certificate and Sale Document and "Commodity Trading Certificate" refers to any on one of them as the context permits;
Contracted Profit Rate or CPR	means the profit rate as stated in the Letter of Offer issued by the Bank and accepted by the Customer from time to time used for calculation of the Murabahah Profit to determine the Deferred Sale Price as applicable to the Commodity Murabahah via Tawarruq Facilities and Sale Price as applicable to the Murabahah Facilities which Prescribed Rate is based on variable rate respectively, or where applicable for the purpose of availment of the Islamic multi trade facilities made available under the Shariah principle of the Commodity Murabahah via Tawarruq, and Murabahah Facilities where CPR is the ceiling rate that will be used in the event the prescribed rate exceeds CPR;
Customer's Agent	unless otherwise expressly stated, shall mean the Bank acting on behalf of the Customer as its sole and exclusive agent;
Deferred Sale Price	means in the case of Commodity Murabahah via Tawarruq Facilities, the amount payable by the Customer to the Bank which shall comprise of the Commodity Purchase Price and the Murabahah Profit for each of the respective SMF-i Facility;
Effective Profit Rate or EPR	means, where applicable: (a) profit rate as stated in the Letter of Offer issued by the Bank and accepted by the Customer from time to time as is or may be applicable to the SMF-i Facility respectively; or (b) such other rates as may at any time or from time to time be prescribed and notified by the Bank at its discretion, by giving twenty one (21) calendar days' prior written notice with reason(s), for the computation of actual profit charged to Customer in the event the Bank exercises its discretion to reduce the Deferred Sale Price under the Shariah principle of Ibra' (rebate) in accordance with the Letter of Offer;
Facility Period	means the period for which each SMF-i Facility shall be available and valid as set out in the Letter of Offer;
Letter of Agency	means a letter of agency issued by the Customer to the Bank to appoint the Bank as the Customer's Agent;
Letters of Offer	means any letters of offer and "Letters of Offer" means all letter(s) of offer (including any supplemental or revised letters of offer) issued by the Bank and accepted by the Customer from time to time whereby the Bank agrees to grant and the Customer agrees to accept each of the SMF-i Facility and which expression shall include all supplemental or revised letter(s) of offer from time to time issued by the Bank to the Customer;
Murabahah	refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser;
Murabahah Profit	means in the case of the Commodity Murabahah via Tawarruq Facilities, the amount as stated in the Commodity Sale Certificate calculated* based on the Contracted Profit Rate or prescribed rate, where applicable, calculated on the full Commodity Purchase Price, applicable for the entire duration of the Facility Period, on the basis of a three hundred and sixty-five (365) or three hundred and sixty-six (366) day year, as the case may be (both start and end dates inclusive). Note: *calculated based on Reducing Balance Method
Rebate (Ibra)	means the rebate as stated in the Letter of Offer as may be given by the Bank to the Customer as it deems fit in accordance with Shariah principles and the terms of the Letter of Offer;

Reducing Balance Method	means whereby profit is calculated based on principal outstanding. Therefore, upon every principal payment received, the profit for the following period will be lower due to the reduced principal sum;
Sale Document	means the document in relation to the sale of the Commodity from the Customer's Agent to the Commodity Broker as evidenced by the Commodity Trading Certificate which signifies the offer by the Customer's Agent, acceptance by the Commodity Broker whereupon the title and ownership of the Commodity is transferred from the Customer's Agent to the Commodity Broker. The Commodity Broker is responsible for the ownership and all its obligations and liabilities upon acceptance of the Commodity;
SMF-i Facility	means the share margin financing-i facility granted or made available or agreed to be made available or continue to be made available by the Bank to the Customer now or in the future or from time to time and at any time in accordance with the terms and conditions set out in this Letter of Offer, and where the context so requires, shall refer to any of the SMF-i Facility granted and made available to the Customer and include any part of such facility;
ST	means any service tax payable on the supply of service or other things in accordance with the provisions of ST Law;
ST Law	means the Malaysian Service Tax Act 2018, subsidiary legislations, statutory orders and regulations governing the application of ST, as amended from time to time;
Tawarruq	means two (2) sale and purchase contracts wherein the first involves the sale of an asset or commodity by a seller to a purchaser on a deferred basis and subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis;
Taxes	means any present or future tax, fund levy, duty, charge, fee, ST, or withholding in the nature of a tax howsoever incurred that may now or hereafter be imposed or asserted by any jurisdiction or any taxing authority thereof at any time and from time to time throughout the subsistence of the SMF-i Facility and "Tax" shall refer to any of them;
Term Deposit	means a fixed-term investment that includes the deposit money into an account with the Bank for certain period of time which the amount is used as security/collateral against the SMF-i Facility; and
Wakalah	means a contract where a party, as principal (muwakkil) authorises another party as his agent (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee.

1. The SMF-i Facility is approved for your use only for the purpose set out in the Letter of Offer.

2. All shares to be pledged or charged to the Bank shall be transferred at your cost and expense into the securities account of RHB Capital Nominees (Tempatan) Sdn Bhd or RHB Capital Nominees (Asing) Sdn Bhd (where relevant) **("Pledged Securities Account")** maintained with a central depository or such depository agent designated under Section 40 of the Securities Industry (Central Depositories) Act 1991 *(Act 453).*

All trading of the shares via the Pledged Securities Account shall be conducted through the stockbrokers appointed by the Bank **("Appointed Stockbroker"**). All shares to be pledged or charged as securities to the Bank shall be Shariah-compliant shares and securities.

3. The actual amount of the facility available for your use at any time under the SMF-i Facility shall not: -

a) in relation to the Term Deposit pledged to the Bank, exceed two point five (2.5) times the amount in the Term Deposit;

b) in relation to shares pledged or charged to the Bank and which are listed on Bursa Malaysia, exceed one point five (1.5) times the market value or Bank's internal valuation of the shares pledged or charged, whichever is lower.

Despite the above, the shares pledged may be subjected to price capping at the Bank's discretion and the utilisation of facility for an account with a facility limit exceeding RM500,000.00 is also subject to share concentration capping as follows:

Counter With Market Capitalisation	Allowable Concentration Percentage (%) Against Your Total Pledged Share Value

> RM1bil	80%
> RM750mil ≤ RM1bil	70%
≥ RM500mil ≤ RM750mil	60%
≤ RM500mil	50%

The Bank reserves the right at its discretion to vary the aforesaid values by giving twenty one (21) calendar days' prior written notice with reason(s) to you.

4. In compliance with the Islamic Financial Services Act 2013 (*Act 759*) (in particular Section 68 (*Disqualification*)) the Bank will not accept as security for any facility nor purchase on your behalf the shares in RHB Bank Berhad.

5. All shares purchased by the Bank on your behalf shall form part of all securities pledged or charged to the Bank for the SMF-i Facility ("**Total Securities**") to secure the SMF-i Facility.

6. The Total Securities for the SMF-i Facility shall at all times be at least one hundred sixty six point sixty seven percent (166.67%) of the amount outstanding under the SMF-i Facility **("Required Security Value")**. In the event that the aggregate value of the said securities shall fall below the Required Security Value, no further utilisation of the SMF-i Facility will be allowed.

7. The Bank shall have discretion at any time to determine the acceptability and the value of the said securities pledged or charged to the Bank.

8. During the subsistence of the SMF-i Facility, where the market value of the Total Securities or as result of the Bank's determination pursuant to **Clause 7** above that the value of the said securities pledged or charged to the Bank has fallen to below one hundred fifty percent (150%) **("Minimum Security Value")**, you shall within three (3) market days upon prior written notice from the Bank:-

a) pay in cash to reduce the amount outstanding; and/or

b) pledge or charge to the Bank such further securities or quoted shares acceptable to the Bank,

so as to maintain the Minimum Security Value, failing which the Bank shall have the right to sell the appropriate number of shares so as to maintain the Minimum Security Value.

9. In the event that the value of the said securities shall fall to below one hundred thirty percent (130%), the Bank shall have the right to sell the appropriate number of shares that have been pledged or charged to the Bank and use the proceeds of such sale to reduce the amount outstanding under the SMF-i Facility in order to maintain the Minimum Security Value. The right of the Bank to sell such shares at prices quoted on Bursa Malaysia on the day of sale of such shares shall not be questioned by you on any reason whatsoever.

10. Despite any of the above provisions, the Bank may require you to pledge or charge to the Bank such additional securities acceptable to the Bank in the event that the shares that have been pledged or charged to the Bank: -

a) are subject to unusually rapid or volatile changes in value; or

b) do not have an active market; or

c) have been suspended from trading on the Bursa Malaysia for more than seven (7) market days; or

d) where the aggregate value of a single counter constitutes more than fifty percent (50%) of the total aggregate value of the shares pledged or charged to the Bank; or

e) composition of loan stocks and warrants constitutes more than twenty five percent (25%) of the total aggregate value of the shares pledged or charged to the Bank; or

f) composition of ACE counter constitutes more than twenty five percent (25%) or RM300,000, whichever is lower of the total aggregate value of the shares pledged or charged to the Bank; or

g) are reclassified as Shariah non-compliant shares.

11. In the event that the shares that have been pledged or charged to the Bank are reclassified as Shariah non-compliant shares **("Reclassified Shares")**, the value of the Reclassified Shares will have zero value and will no longer be part of the computation of the Total Securities.

12. No cheque book or auto teller card will be issued by the Bank. Cash disbursement is only allowed provided that the value of the Total Securities pledged exceeds one hundred sixty six point sixty seven percent (166.67%) of the amount outstanding.

The amount of cash disbursement should not cause the value of the Total Securities to fall below one hundred sixty six point sixty seven percent (166.67%) of the amount outstanding or exceed the approved credit limit, whichever is lower.

13. The disbursement and subsequent utilisation of the SMF-i Facility is subject to such guidelines on credit for the purchase of stock and shares in compliance with the prevailing rules and regulatory requirements as well as

subsequent new rules and regulations by the relevant regulatory authorities that may be brought into force from time to time.

14. In consideration of the Bank approving the SMF-i Facility to you, you agree to appoint the Bank to deal on your behalf in securities quoted on Bursa Malaysia and you agree to comply with the terms and conditions on share trading.

15. If you shall default in the observance or performance of any covenant, term, condition, stipulation or obligation contained in the Letter of Offer, the Bank shall be entitled to sell all or any of the securities pledged or charged to the Bank and apply the proceeds towards payment of all monies outstanding and owing by you to the Bank.

16. The SMF-i Facility is subject to review by the Bank at any time and from time to time and is payable on demand. The Bank may at its discretion agree to renew the SMF-i Facility or such further periods upon such terms and conditions as it thinks fit.

17. SHARE TRADING

You irrevocably and unconditionally agree to be bound and to comply with the following terms and conditions: -

(a) You are to open a non-checking Islamic current account (**"Special Account"**) with the Bank for the purpose of the SMF-i Facility.

(b) You agree to appoint the Bank to deal on your behalf in securities quoted on Bursa Malaysia.

(c) You shall authorise the Bank to debit your Special Account to pay for the purchase price of the shares purchased by the Bank on your behalf provided there are sufficient funds in the Special Account for such debiting.

(d) You authorise the Bank to act on your behalf, including any oral instruction requests transmitted by you to the Bank by the telephone or in person. The Bank is entitled to assume that any instructions received by the Bank as genuine and accurate. The Bank is under no duty to make any inquiries to ensure that the instructions are in fact genuine and accurate.

You further agree that all sale and purchase transactions carried out by the Bank on your behalf constitute as your decision, arrived at independently by you, and that you shall remain liable for any sale or purchase of shares transaction entered into by the Bank on your instructions (save and except where the same is attributable to the Bank's gross negligence, wilful misconduct, wilful default or fraud).

(e) You undertake to pay the Bank all Brokerage Fees and charges and any tax imposed and/or to be imposed by authorities in connection with the buying of, selling of or dealing with the shares by the Bank on your behalf, including legal charges incurred in order to enforce your obligations in connection with the buying of selling of or dealing with the shares by the Bank on your behalf and hereafter.

(f) The Bank reserves the right to debit the Special Account for all Brokerage Fee and charges and any tax imposed and/or to be imposed by such relevant authorities in connection with the buying of selling of or dealing with the shares ("**Related Fees and Charges**") including any shortfall between the purchase price of the said shares and the amount realised by the Bank in respect of the sale of the shares and any profit paid by the Bank to stockbrokers and/or related fees and/or any other charges and expenses in full provided there are sufficient funds in the Special Account for such debiting.

(g) You agree that the mode of settlement of the purchase proceeds and contra transactions shall be governed by the Fixed Delivery and Settlement System of Bursa Malaysia.

(h) You agree that the contract notes in relation to sale and purchase transactions handled by the Bank on your instructions will be dispatched by the Bank to you by ordinary post. Any delay in the receipt of such contract notes shall not constitute a breach by the Bank with you or a ground for you to allege that the Bank has not adhered to the provisions of the Fixed Delivery and Settlement System of Bursa Malaysia.

(i) You undertake to deliver to the Bank promptly any shares which the Bank has sold on your behalf. Furthermore, you declare that you are the beneficial owner(s) of any such shares delivered by you to the Bank.

(j) You agree that the Bank shall have the right and discretion not to execute a purchase order for you, including share counters which the Bank considers as highly speculative and volatile in nature. Furthermore, you agree that the Bank shall have the right at any time to limit purchase or sale of shares instructed by you.

(k) You agree to authorise the Bank to sell-out or buy-in such shares as may be required to clear your position with the Bank. You undertake to indemnify the Bank against all losses in such events and in the event that you shall fail to comply with all or any of your obligations in the Letter of Offer and/or of all or any of the statements in the Letter of Offer made by you are incorrect or misleading, save and except where such losses are attributable to the Bank's gross negligence, wilful misconduct, wilful default or fraud.

(l) You shall be entitled to use the SMF-i Facility for the sale and purchase of shares via the Pledged Securities Account conducted through the dealer appointed via the Bank's appointment of dealer letter **("Dealer's Representative"**) of the Appointed Stockbroker and you agree and acknowledge that:

(i) the Bank may, at its discretion, reject any sale or purchase of shares by you via the Pledged Securities Account in which case you shall be personally liable to the Appointed Stockbroker and/or any relevant third parties for settlement of such rejected transactions without any recourse to the Bank.

(ii) (A) if you have insufficient shares or no shares in the Pledged Securities Account to settle the sale transaction before the due date as governed by the Fixed Delivery and Settlement System of the Bursa Malaysia, the Appointed Stockbroker will institute a buying in against you; and

(B) if you are unable to settle the purchase transaction before the due date as governed by the Fixed Delivery and Settlement System of Bursa Malaysia, the Appointed Stockbroker shall be entitled to institute a selling out against you.

(iii) any expenses, liabilities, claims, demands and/or charges which arise out of the aforesaid buying–in or selling-out procedures are to be borne solely by you and you shall liaise with the Dealer's Representative or the Appointed Stockbroker or any relevant third parties with respect of the settlement of the same.

(iv) the Bank may, without affecting to the rights under **Clause 17(l)(i)** above, accept a transaction which the Bank has previously rejected and proceed with the settlement of the said transaction at the Appointed Stockbroker's or Dealer's Representative's request unless the Bank receives a prior written notification by you to instruct the Bank otherwise, identifying the exact and particular previously rejected trade in securities.

(m) You agree not to hold the Bank liable for any losses suffered by you arising from any delays or failure in the buying or selling of any shares due to factors beyond the control of the Bank or due to any act of or omission by the Bank in good faith and not arising from any gross negligence, wilful misconduct, wilful default or fraud on the part of the Bank.

(n) You agree that the Bank may review, revise, amend or vary the terms and conditions in the Letter of Offer from time to time by giving you twenty one (21) calendar days' prior written notice with reason(s).

(o) You agree that the Bank may terminate this arrangement in writing at any time with prior written notice to you.

(p) Time mentioned in the Letter of Offer shall be of essence.

(q) You declare that you are not a bankrupt and have not been declared a defaulter by Bursa Malaysia at any time to date.

(r) You declare that all information given in the Letter of Offer are true and correct. You authorise the Bank to verify from whatever sources the above information the Bank may in their discretion consider appropriate.

(s) You undertake to abide the rules and regulations of Bursa Malaysia and any relevant regulations governing the purchase and sale of shares quoted on Bursa Malaysia being in force and any subsequent new rules or regulations that may be brought into force from time to time.

18. PROFIT(S)/OTHER CHARGES

(a) PROFIT

You shall pay all monies due and payable by you with regards to the Deferred Sales Price and all monies outstanding to the Bank in relation to the SMF-i Facility and any other charges payable in relation to the SMF-i Facility at such rate as may be stipulated or prescribed and notified by the Bank at any time and from time to time.

The profit payable by you for the time being in respect of the SMF-i Facility is as specified under the column Effective Profit Rate. Profit at the aforesaid rate shall be payable by you both before and after any judgement or order of court.

(b) VARIATION OF PROFIT

The Bank shall also be entitled at its discretion at any time and from time to time to vary the Bank's Effective Profit Rate (including changing entirely the basis upon which the rate/margin is arrived at, commission, discount charges and any other amount (by whatever name called)) in the following manner:-

(i) where the variation is in respect of the Bank's Base Rate Islamic ("**BRI**") / Standardised Base Rate Islamic ("**SBRI**"), by (i) displaying a general notice on the change in the Bank's BRI/SBRI addressed to the public generally at the premises of the Bank, and such display shall be deemed to be effective notice on you; or (ii) any other mode(s) deem fit and proper by the Bank; and

(ii) where the variation is in respect of changes other than **Clause 18(b)(i)** above, a notice in writing with reason(s) shall be given to you at least twenty one (21) calendar days' prior to such variation, provided that such variation shall not result in any increase of the Deferred Sale Price in respect of any Commodity Sale that has already been entered into between the Bank and you. Such variation shall take effect from the date specified in the notice and is to be applied on the undisbursed amount under the SMF-i Facility. The aforementioned notice shall be deemed to have been sufficiently served on you if sent by hand or by ordinary mail to your last known place of residence/business or to your address as stated in the Bank's Letter of Offer, unless there is contrary evidence that such notice was in fact not received by you.

Despite anything contained in the Letter of Offer, any failure or delay on the part of the Bank to give notice in

accordance with the provisions in the Letter of Offer shall not absolve you from your obligation to pay the Effective Profit Rate determined by the Bank.

(c) CONTRACTED PROFIT RATE ("CPR")

CPR will be used to calculate the total Murabahah Profit. In any cases where the effective rate is more than 10.25% p.a., you will only be charged a maximum rate of the CPR. The CPR for other than retail (individual) customer will be 12% p.a. The * Deferred Sale Price is calculated based on the Contracted Profit Rate.

(d) OTHER CHARGES

Brokerage Fees (including renewal upon expiry of the 5-year tenure)
You shall be required to pay Brokerage Fee for the Commodity Murabahah via Tawarruq Transaction on the Commodity Murabahah via Tawarruq Transaction date. The Bank is authorised to debit the Brokerage Fee from your account held with the Bank for such purpose.

The Brokerage Fee payable by you for the Commodity Murabahah via Tawarruq Transaction is RM7 per transaction or actual cost.

19. PAYMENT OF THE DEFERRED SALE PRICE

The payment of the Deferred Sale Price shall be made in such manner specified in the Letter of Offer. Despite any provisions in the Letter of Offer, you agree to pay and/or pay the Bank all SMF-i Facility together with all monies due under such SMF-i Facility immediately upon any written demand being made by the Bank, which written demand may be made by the Bank at any time and from time to time irrespective of whether or not an event of default has occurred or is continuing.

20. SECURITY

The SMF-i Facility shall be made available to you subject to the provision by you of the securities set out in the Letter of Offer.

(a) For SMF-i Facility secured against the Term Deposit, profit earned from the Term Deposit mortgaged, charged or pledged is to be capitalised and added to the principal amount and form part of the security. The Bank shall have the right to uplift the Term Deposit whether or not it has matured, to settle any sum due and payable including profit if the SMF-i Facility is not serviced promptly. The Bank reserves the right to renew the Term Deposit pledged annually during of the SMF-i Facility.

(b) The Bank reserves the right to register the shares to be pledged to the Bank in the name RHB Capital Nominees (Tempatan) Sdn Bhd in denominations acceptable to the Bank. All bonus and rights issue related to the shares pledged to the Bank are also to be pledged to the Bank as additional security.

The Bank reserves the right to request for any other relevant security arrangement as required by the Bank from time to time.

21. CONDITIONS PRECEDENT

The SMF-i Facility will be made available for your utilisation upon the fulfillment of the following conditions precedent (where applicable): -

(a) The Bank shall have received your acceptance of the Letter of Offer. In addition, all security documents which are required to be executed must be executed by you or the relevant party providing security for the SMF-i Facility (**"Security Party"**) within one (1) month of your acceptance of the Letter of Offer or within such extended period of time as the Bank may in its discretion agree upon. Upon failure to do so, the Bank shall be at liberty to cancel the SMF-i Facility.

(b) The Bank shall have received three (3) copies of each of the following documents, certified as true and correct by your company secretary or director:-

(i) all authorisations, licenses, approvals and consents which are necessary for the financing by the Bank under the Letter of Offer, the carrying on of your business and the execution of the security documents (if applicable);

(ii) your board of directors' resolution authorising the acceptance of the SMF-i Facility and/or the execution of the security documents together with power of attorney and/or deed of empowerment (if any);

(iii) your certificate of incorporation / notice of registration and the constitution or a written confirmation duly signed by a director or a company secretary confirming that you do not have a constitution, latest Return of Allotment of Shares Form (previously known as Form 24), latest Notification for Change in the Registered Address (previously known as Form 44) and latest Notification of Change in the Register of Directors, Managers and Secretaries Form (previously known as Form 49) of the Companies Act 2016 *(Act 777)*;

(iv) specimen signatures authenticated in such manner as the Bank may require, of the persons authorised to act on your behalf in respect of these transactions.

(c) The Bank is satisfied that no event of default or no event which with the giving of notice or lapse of time or both would constitute an event of default has occurred or be continuing.

(d) The Bank is satisfied that no extraordinary circumstances, governmental action or other material adverse change or event has occurred which in the opinion of the Bank affects your ability and/or the ability of any

Security Party to observe and perform the covenants and obligations on your/their part to be observed and performed under the Letter of Offer or under the security documents.

(e) The Bank's solicitors shall have confirmed that a search on you has been conducted at the Companies Commission of Malaysia and the results of the search shall have been satisfactory to the Bank.

(f) The Bank's solicitors shall have confirmed that a search having been conducted at the Malaysia Department of Insolvency discloses that no bankruptcy proceedings or winding up petitions (as the case may be) have been commenced (or presented as the case may be) against you and/or any Security Party.

(g) All security documents which are required in the Letter of Offer and/or such documents as may be required by the Bank and/or its solicitor shall have been executed by the relevant parties, duly stamped (if not otherwise exempted) and registered or presented for registration (where applicable) at such registries as the Bank may deem necessary or expedient and the original copy of each of the relevant documents shall have been deposited with the Bank.

(h) You shall have opened all requisite accounts.

(i) You shall have paid all fees or charges payable or agreed to be paid by you and any tax imposed and/or to be imposed by authorities to the Bank or in connection with the SMF-i Facility.

(j) You shall have furnished a confirmation to the Bank that there no misrepresentation or breach of any warranty made to the Bank, whether express or implied, has occurred.

(k) The Bank is satisfied (and in this respect the Bank's decisions shall be final) that there are no material changes affecting your financial condition.

(l) The Bank shall have received from you the letter appointing a stockbroker and the letter appointing the dealer (**"Appointment Letters"**) provided always that the Appointment Letters shall be irrevocable until further notice by you to the Bank of the change of the stockbroker/dealer and such change shall be deemed to be accepted by the Bank upon the Bank's acknowledgement the same in writing and until revocation of the Appointment Letters aforesaid, all dealings by the Dealer's Representative on your behalf shall be deemed to be valid and conclusive.

22. EVENTS OF DEFAULT

All monies outstanding under the SMF-i Facility together with profit and all and other monies relating to the SMF-i Facility shall become immediately payable by you upon written demand being made by the Bank or upon occurrence of any of the events as set out in the Additional Terms and Conditions Relating to Positive Covenants, Negative Covenants, Representations and Warranties and Events of Default to this Appendix II.

23. ILLEGALITY

If the Bank determines that the introduction or variation of any law, regulation or official directive (whether or not having the force of law) or any change in the interpretation or application makes it unlawful for the Bank to maintain, fund or give effect to its obligations under the Letter of Offer, the Bank shall immediately give written notice of such determination to you.

Upon such written notice from the Bank, the SMF-i Facility to such extent shall be cancelled and you will immediately pay all monies outstanding under the SMF-i Facility together with profit and all other monies agreed to be paid by you under the Letter of Offer.

24. IRREVOCABLE RIGHT TO DEBIT ACCOUNT

You may be required to maintain a Special Account with the Bank and the Bank is authorised to debit your account for:-

(a) any payment of any principal or profit due under the SMF-i Facility; and

(b) all expenses, duties, fees and other sums due and payable arising from the SMF-i Facility including to takaful contribution, profit, service charges and any tax imposed and/or to be imposed by authorities,

Provided that there are sufficient funds in the account for such debiting and provided further that no such debiting shall be deemed to be payment of the amount due (except to the extent of any amount in credit in your current or other accounts) or deemed to be a waiver of an event of default.

25. INCREASED COST

Where the Bank determines that, as a result of the introduction or variation of any law, order, regulation or official directive (whether or not having the force of law), or any change in the interpretation or application of such law, order, regulation of official directive by any competent authority, or compliance with any request (whether or not having the force of law) from Bank Negara Malaysia or other fiscal, monetary or other authority:

a) the cost of the Bank making available or continuing to make available the SMF-i Facility is increased; or

b) the amount of any sum received or receivable by the Bank in respect of the Bank making or continuing to make available the SMF-i Facility or the effective return to the Bank under the SMF-i Facility is reduced; or

c) the Bank is obliged to make any payment (except in respect of fax on overall net income) or forego any profit

from the SMF-i Facility,

then the Bank shall notify you of the circumstances leading to the Bank's determination, with twenty one (21) calendar days' prior written notice with reason(s) to you prior to the effective date of the revision, and:-

(i) subject to Shariah principles, you shall on demand pay to the Bank such reasonable amounts as the Bank from time to time and at any time notify you to be necessary to compensate the Bank for such additional cost, reduction, payment or foregone profit or return provided that nothing contained in the Letter of Offer shall prevent you from taking all necessary steps to mitigate the effect of such increased cost; and

(ii) at any time in future, so long as the circumstances giving rise to the obligation to make the compensating payment continue, you may upon giving the Bank not less than thirty (30) calendar days' prior written notice, cancel the SMF-i Facility.

26. MARKET DISRUPTION

If in the opinion of the Bank, there has, since the date of this offer, been a change in national or international monetary, financial, economic or political conditions or currency exchange rates or exchange control which would render the SMF-i Facility temporarily or permanently commercially impracticable or impossible, the Bank shall notify you of such circumstances by giving you at least twenty one (21) calendar days' prior written notice, unless otherwise stipulated by law or any regulatory authority having jurisdiction over the Bank, and:-

(a) whilst such circumstances exist, no utilisation of the SMF-i Facility will be allowed;

(b) the Bank shall negotiate in good faith for an alternative basis acceptable to the Bank for continuing the SMF-i Facility; and

(c) unless within thirty (30) calendar days after the giving of such notice such circumstances cease to exist or an alternative basis acceptable to the Bank is arrived at, the SMF-i Facility shall be cancelled.

27. AVAILABILITY OF FUNDS/REVIEW

The availability of the SMF-i Facility is subject always to availability of funds to the Bank and to the Bank's discretion to review the SMF-i Facility (including the limits established by the Bank on any part of the SMF-i Facility) at any time and from time to time.

The Bank reserves the right to terminate or withdraw the SMF-i Facility with prior written notice to you irrespective of whether or not you have breached any of the terms and conditions contained in the Letter of Offer or any other documents in relation to the SMF-i Facility.

28. REVIEW

The Bank reserves the right to review the SMF-i Facility at any time and from time to time and nothing contained in the Letter of Offer shall be deemed to impose on the Bank any obligation either at law or in equity to make or to continue to make available the SMF-i Facility.

29. WAIVER AND INDULGENCE

The terms and conditions in the Letter of Offer may be waived by the Bank in whole or in part with or without conditions at the discretion of the Bank without affecting the rights of the Bank. Any failure by the Bank to enforce any of the provisions under this Letter of Offer or any forbearance, delay or indulgence granted by the Bank to you shall not be construed as a waiver of the Bank's rights under the Letter of Offer.

30. ISLAMIC FINANCIAL SERVICES ACT 2013 *(Act 759)* ("IFSA")

The granting of the SMF-i Facility to you shall be upon the condition that the Bank will not breach or contravene any law, legislation or regulation including, without limiting the generality of the foregoing, the provision of IFSA or any other provisions thereof. In particular, you are to declare to the Bank that you are not directly related as a spouse, child or parent to any of the directors, officers or employees of the RHB Banking Group. In the event that any such relationship is established or discovered now or in future, the Bank reserves the right immediately to terminate and recall the SMF-i Facility.

31. DISCLOSURE OF CUSTOMER INFORMATION

You understand that RHB Banking Group ("Bank") will use, collect, record, store, share and/or process your personal information, including, without limitation:

1. personal information including your particulars, images and biometrics (the measurement and analysis of unique physical or behavioral characteristics (such as fingerprint or voice patterns) especially as a means of verifying personal identity)
2. financial data, tax residency
3. specimen signatures, as well as, digital or electronic signatures as defined under the applicable laws and regulations
4. financial standing, employment details, creditworthiness and/or suitability for any Bank's products/services applied for
5. personal information that you provide when you apply for any of our products and services, including your views or opinions made known to the Bank via feedback or surveys;
6. information about your risk profile, investments, tax and insurance/takaful, investment objectives, knowledge and experience and/or business interests and assets

7. information relating to your activities, habits, preferences and interests arising from the use of products and services of the Bank
8. other electronic data or information relating to you such as IP addresses, cookies, activity logs, online identifiers and location data through your usage of our products and services or as part of their delivery to you

and other information relevant to you/your application for the product and / or service which:

1. you have provided in this form or through any other contact with the Bank (which shall include its holding company, subsidiary(s), and any associated company(s), including any company as a result of any restructuring, merger, sale or acquisition), or
2. has been obtained from analysis of your payment and other transactions/services within the Bank, or
3. has been obtained from third parties such as employers, joint applicants/accountholders, guarantors, legal representatives, industry/financial related associations, government/regulatory authorities, credit bureaus or credit reporting agencies, retailers, social networks and fraud prevention agencies or other organizations
4. has been obtained from recordings of Closed Circuit Television (CCTV) installed at our premises including the branches located within or outside Malaysia
5. has been obtained from insurance/takaful claims or other documents; and/or
6. has been supplied and/or collected when you visit the Bank websites and/or download Bank's mobile device applications which may include your device's IP address or from data that is collected via cookies.

You expressly hereby agree, consent to and authorize the Bank to disclose any information relating to you, your affairs and/or any accounts, products and/or services provided by the Bank to you to:

1. third parties such as service providers, merchants and strategic partners, contract for services (CFS) staff, auditors, legal counsel, vendors including debt collection agencies, professional advisers, industry/financial related associations, credit bureaus or credit reporting agencies and fraud prevention agencies, other financial institutions and any of their respective agents, servants and/or such persons, whether located within or outside Malaysia, if applicable, subject at all times to any laws (including regulations, standards, guidelines and/or obligations) applicable to the Bank.
2. the entities and/or other companies within the corporate group of the Bank
3. any tribunal, courts, governmental agencies or bodies or other relevant authorities to whom the Bank is required to make disclosures or have jurisdiction over the Bank whether in or outside Malaysia in order to comply with any order, demand, request or reporting requirement or for the purposes of litigation or potential litigation involving the Bank as and when required or requested to do so from time to time and at any time;
4. any company and/or organization that assists or facilitates the processing and/or fulfillment of transactions or instructions that I/we have requested and/or given to the Bank;
5. any potential transferee or assignee with whom the Bank is negotiating the transfer, assignment and novation of the rights or obligations under or by reference to the account;

for any and/or all of the following purposes, if applicable:

a. facilitating the business, operations, provision of the financial product/facilities and performance of the contract, services granted or provided by the Bank;
b. providing this product and/or service and notifying you about important changes or developments to the features;
c. updating and managing the accuracy and completeness of the Bank's records;
d. prevention, detection or prosecution of crime, and complying with legal and regulatory obligations;
e. assessment and analysis including credit, lending/financing, insurance/takaful risks and/or other risk purposes, behaviour scoring, mining, profiling, data analytics, due diligence, market and product analysis and/or market research;
f. communications and ensuring customer satisfaction, which may include conducting surveys to improve the quality of our products and services, responding to inquiries and complaints and to generally resolve disputes;
g. determining the amount of your indebtedness and recovering debt that you owe to the Bank;
h. maintaining your credit history for present and future reference;
i. enabling an actual or proposed assignee of the Bank, or participant or sub-participant of the Bank to evaluate your transactions which are intended to be the subject of the assignment, participation or sub-participation;
j. for the Bank's corporate events (including networking events, launching of products, etc) /contests, of which photographs / images of you may be captured and may be used for the Bank's publications;
k. protecting the Bank's interests; or
l. all other purposes which are ancillary to or related with any of the above.

You understand and agree that:

1. the consent given above cannot be withdrawn where such disclosure of your information is necessary for the provision / operation of the account, product and/or service or the performance of the contract with you to comply with contractual requirements or to comply with any legal requirements in where without such information the Bank will not be able to offer product/ service requested by you.
2. Where you have provided the Bank with sensitive personal information (in particular, information consisting your physical/mental health for applications of insurance/takaful products/services), you provide consent for the Bank to process the same in the manner described pursuant to the personal data requirements under the Personal

Data Protection Act 2010 and applicable guidelines including BNM Guidelines as may be issued from time to time.

3. The Bank may modify or update its Disclosure of Customer Information from time to time, a copy of which is available at www.rhbgroup.com.
4. You may exercise your options in respect of receiving marketing materials (including cross-selling, marketing and promotions) by visiting the branch or contact RHB Customer Contact Centre (03-9206 8118).

32. DUTY TO VERIFY STATEMENTS OF ACCOUNTS

You are to verify all statements of accounts sent to you by the Bank and immediately revert to the Bank in the event of any discrepancy in such statements of accounts failing which they shall be deemed to be conclusive and binding against you.

33. STATEMENT BY BANK

The certificate of the Bank as to the amount outstanding, due and payable, shall be final and conclusive and shall not, save for obvious error, be questioned on any account whatsoever.

34. SUSPENSE ACCOUNT

Any money received by the Bank in respect of the SMF-i Facility may be kept to the credit of suspense account for so long as the Bank thinks fit up to maximum period as allowed under the internal policy of the Bank without any obligation in the meantime to apply such money or any part of such money in or towards settlement of any liabilities due by you to the Bank.

35. BANKRUPTCY/WINDING UP SEARCH

The Bank will conduct bankruptcy/winding up searches on you prior to the utilisation of the SMF-i Facility and at any time or from time to time after such utilisation. In the event that any of the searches confirm that you are an adjudged bankrupt/wound up or if there are any legal proceedings, suits or actions of any kind (civil or criminal) being instituted against you, the Bank reserves the right, with prior written notice, to withdraw, cancel, terminate and/ or recall the SMF-i Facility granted to you.

36. SET OFF/COMBINATION OR CONSOLIDATION OF ACCOUNTS

(a) The Bank shall be entitled (but shall not be obliged) at any time by giving seven (7) calendar days' prior written notice to you to combine, consolidate or merge all or any of your accounts and liabilities with and to the Bank anywhere whether in or outside Malaysia, whether alone or jointly with any other person and may transfer or set off any sums in credit in such accounts in or towards satisfaction of any of your liabilities whether actual or contingent, primary or collateral. This shall apply even if the credit balances on such accounts and the liabilities on any other accounts may not be expressed in the same currency and the Bank is authorised to effect any necessary conversions at the Bank's prevailing rate of exchange.

(b) The Bank further reserves the right at any time and without notice to you to debit any of your accounts (whether in credit or debit) with the Bank for all payments due and payable by you howsoever to the Bank.

37. OTHER TERMS AND CONDITIONS

(a) You shall open a Special Account with the Bank and the SMF-i Facility shall be utilised by drawing against such account.

(b) Utilisation of the SMF-i Facility shall be in such manner as the Bank may from time to time prescribe and notify.

(c) You are to operate your account with the Bank in a satisfactory manner and pay the money payable under the SMF-i Facility promptly failing which the Bank reserves the right (subject to Shariah principles) to vary the terms and conditions imposed including the Profit Rate by giving twenty one (21) calendar days' prior written notice with reason(s).

(d) No delay in exercising or omission to exercise any right, power or remedy accruing to the Bank upon any default on your part shall impair such right, power or remedy or be construed to be waiver of or an acquiescence in such default.

(e) If any of the provisions of the Letter of Offer becomes invalid, illegal or unenforceable in respect of any law, the validity, legality or enforceability of the remaining provisions in the Letter of Offer shall not in any way be affected or impaired.

(f) The Bank reserves the right to vary, substitute, add and/or subtract security imposed in relation to the SMF-i Facility by giving twenty one (21) calendar days' prior written notice with reason(s).

38. MODE OF FINANCING

(a) Commodity Murabahah via Tawarruq

(i) Utilisation of the SMF-i Facility shall be effected by way of Commodity Murabahah via Tawarruq Transactions. Under the trade transactions, you shall first request the Bank to purchase the Commodity backed by an undertaking by you to buy the Commodity from the Bank via a Commodity Purchase Order.

(ii) Pursuant to the Commodity Purchase Order, the Bank shall purchase the Commodity at the Commodity Purchase Price from the Commodity Supplier.

(iii) Thereafter, the Bank shall sell the Commodity to the Customer's Agent at a Deferred Sale Price payable to the Bank on deferred payment terms, whereupon ownership and possession of the Commodity shall be transferred from the Bank to you.

(iv) Ownership and possession of the Commodity shall transfer from the Bank to you upon entering into the Commodity Sale. Upon taking possession of the Commodity, the Bank is authorised as the Customer's Agent pursuant to **Clause 38(b)(i)** to sell the Commodity purchased, at the price equal to the Commodity Purchase Price on immediate payment terms and to pay the proceeds to you or to any third party in accordance with the purpose of the SMF-i Facility.

(v) You acknowledge and agree that the Bank may utilise your undisbursed amount but the Bank is required to disburse such amount upon your fulfilment of the relevant terms and conditions as agreed in this Appendix II.

(vi) Subject to the review by the Bank, the tenure of the Commodity Murabahah via Tawarruq Transactions will be renewed upon expiry of the 5-year tenure, unless the Facility is terminated or you opt not to renew the Facility. The Bank may at its discretion agree to renew the Facility to such further periods upon such terms and conditions as it thinks fit. You shall continue to appoint the Bank as your Agent to undertake the Commodity Murabahah via Tawarruq Transactions for renewal purposes.

(b) Bank's Appointment as the Customer's Agent

(i) For the purposes of the Commodity Murabahah via Tawarruq Facilities of this Letter of Offer and via the Letter of Agency, you shall appoint the Customer's Agent to enter into the Commodity Sale on your behalf, and to sell the Commodity to any third party at the Commodity Purchase Price.

(ii) You have the right to take delivery of the Commodity. Should you choose to exercise this right, you shall notify the Bank in writing of such intention within three (3) calendar days from the date of acceptance of this Letter of Offer, failing which the Bank shall deem that you are agreeable for the Bank to proceed to act as the Customer's Agent and deal with the Commodity in the manner as set out in **sub-clause (b)(iii)** below. You further acknowledge and agree that pursuant to your exercising your right to take delivery of the Commodity purchased, any and all costs and expenses incurred by the Bank to deliver such Commodity to you shall be at your cost and expense.

(iii) In the event that you choose not to take delivery of the Commodity purchased, the Bank shall proceed to act as the Customer's Agent to sell your Commodity purchased, on your behalf at the price equal to the Commodity Purchase Price on immediate payment terms and to pay the proceeds to you or to any third party in accordance with the purpose of the SMF-i Facility.

(iv) You also authorize and appoint the Bank as sole and exclusive agent (wakeel) for renewal of the contract upon expiry of the Commodity Murabahah via Tawarruq Transactions' tenure.

(v) The appointment of the Customer's Agent by you shall not create or be deemed to create a partnership or a joint venture between the parties, nor shall it establish a relationship of principal or agent in any other relationship between the parties unless specifically agreed by the parties in writing.

(vi) You agree that you shall not revoke the appointment of the Bank as the Customer's Agent as long as the SMF-i Facility remains available. The appointment of the Bank as the Customer's Agent shall cease upon termination of Facility.

(vii) All the Customer's Agent actions shall remain binding on you and shall not be affected by any event taking place which may have the effect of revoking the appointment unless the Customer's Agent has actual knowledge of such event.

(viii) The Bank, as the Customer's Agent, shall act as your undisclosed agent and shall be authorised to delegate its rights and duties as such agent to any third party to do all acts necessary for the completion of the required transactions.

(ix) In consideration of the Bank acting as the Customer's Agent, you shall indemnify the Customer's Agent against all actions, claims, demands, liabilities, losses, damages, costs and expenses which the Customer's Agent may sustain or incur as result of acting as the Customer's Agent save and except where such actions, claims, demands, liabilities, losses, damages, costs and expenses arise from the gross negligence, willful misconduct, willful default or fraud of the Customer's Agent.

(c) Dissolution and Completion of Agency (Wakalah)

(i) The appointment of the Bank as the Customer's Agent shall dissolve under any of the following circumstances:

(A) your demise, dissolution or loss of legal capacity;

(B) the demise, dissolution or loss of legal capacity of the Bank as the Customer's Agent if the Wakalah contract stipulates that the task shall be personally performed by the Customer's Agent;

(C) you lose your right to the subject matter of the Wakalah;

(D) you and the Customer's Agent mutually agree to terminate the Wakalah contract;

(E) you exercise the option to terminate the Wakalah contract due to misconduct, negligence or breach of specified terms of the contract by the Customer's Agent;

(F) the Bank as the Customer's Agent withdraws from the Wakalah contract due to breach of specified terms of the contract by you.

(ii) The completion of Wakalah shall take effect upon fulfillment of all obligations of the contracting parties under the Wakalah contract.

(d) Roles and responsibility of Contracting Parties

(i) The Customer's Agent is irrevocably authorised by you to do, among other things, the following:

(A) to enter into the Commodity Sale;

(B) to take possession (physical or constructive) of the Commodity;

(C) to sell the Commodity to any third party at the Commodity Purchase Price as evidenced by the Sale Document;

(D) to receive payment of the Commodity Purchase Price on your behalf; and

(E) to deliver possession of and title in the Commodity to a purchaser of the Commodity.

(ii) The Customer's Agent shall be, among other things, the following:

(A) authorised to sign and execute all documents and do all acts and observe and perform all obligations required to be done in connection with the Commodity Murabahah via Tawarruq Transaction(s), or imposed under any of sale of the Commodity to a third party as consented by you; and

(B) required to do all the administrative duties regarding the holding and selling of the Commodity.

39. COMMODITY

(a) The Commodity shall be Shariah compliant commodities which are acceptable by the Bank on an "as is where is" basis, without any representations or warranties from the Bank as to the quality, condition, quantity and description and without liability on the part of the Bank for any loss, damage or deterioration not attributable to the Bank's gross negligence, wilful misconduct, wilful default or fraud.

(b) The Commodity in each trade transaction referred to in **Clause 38** above shall either be a tangible or an intangible asset.

(c) Despite **Clause 39(a)** above, the parties mutually agree that the Bank's liability for any defect to the Commodity, shall be waived upon the transfer of ownership and possession to the Customer's Agent save and except where such defect is attributable to the Bank's gross negligence, wilful misconduct, wilful default or fraud.

40. THE BANK AS CUSTOMER'S AGENT

(a) The Customer's Agent may sell the Commodity to any creditworthy third party and you agree that the Customer's Agent shall not be under a duty to disclose and/or provide any documents to you in relation to its duties in terms of its appointment as the Customer's Agent.

(b) You shall solely pay and be responsible for all costs and expenses (including Brokerage Fee, out of pocket expenses, trading fee and legal expenses if so required) incurred for or in connection with the performance of the Customer's Agent's obligations under this Letter of Offer.

41. COMMODITY PURCHASE ORDER

You hereby agree to:

(a) place an order and request the Bank to purchase the Commodity from Commodity Supplier at the Commodity Purchase Price which shall be equivalent to the Principal Amount as stated in the Letter of Offer.

(b) acknowledge that the purchase of the Commodity by the Bank is at your request and you irrevocably and unconditionally undertake to purchase the Commodity from the Bank after the Bank has purchased the Commodity from the Commodity Supplier. In the event you breach your aforementioned promise to purchase the Commodity, you undertake to indemnify the Bank for actual losses, costs, expenses or damages that the Bank may suffer or incur as a result of the Bank relying on your instructions herein.

(c) Subject to review by the Bank, your request is also applicable to 5 years renewal upon expiry of commodity murabahah period, unless the SMF-i Facility is terminated by the Bank or you opt not to renew the SMF-i Facility.

42. TERMS AND CONDITIONS OF COMMODITY SALE

(a) The Murabahah via Tawarruq Transaction will be governed by the terms and conditions of this SMF-i Facility and the applicable provisions of the Letter of Offer and the Commodity Trading Certificates and the construction, performance and validity thereof shall be governed by and construed in all respects in accordance with the laws of Malaysia.

(b) The Customer will obtain such title to the Commodity as the Bank receives from the Commodity Supplier. The Bank shall not be deemed to give any warranty or representation (express or implied) whatsoever, whether arising by law, by statute or otherwise and, without affecting the generality of the foregoing, any such warranty or representation by the Bank is expressly excluded to the full extent permitted by any applicable law.

(c) The Customer shall pay to the Bank the Brokerage Fee for the Commodity Murabahah via Tawarruq Transaction on the Commodity Murabahah via Tawarruq Transaction date. The Bank is authorised by the Customer to debit the Brokerage Fee from the Customer's account held with the Bank for such purpose.

43. RISK

(a) The Customer acknowledges and agrees that it shall bear all the risks associated with the acts of the Customer's Agent except those risks resulting from the Customer's Agent's misconduct or gross negligence. All risks in the Commodity shall pass to the Customer immediately at the time when the Commodity Murabahah via Tawarruq Transaction is entered into, being the time when the Commodity Sale is completed as evidenced by the Commodity Trading Certificate.

(b) Any defect in the Commodity which occurred before the completion of the Commodity Sale and which is discovered by the Customer's Agent after the completion of the Commodity Sale shall entitle the Customer/Customer's Agent to the option set out in **Clause 43(c)** below ("**Defect Option**" or "***khiyar al-'ayb***").

(c) Where the situation in **Clause 43(b)** above occurs, the Customer's Agent/Customer has the right to: -

(i) terminate the Commodity Murabahah via Tawarruq Transaction;
(ii) continue with mutually agreed variation of the terms of the Commodity Murabahah via Tawarruq Transaction as a result of the defect discovered; or
(iii) continue with the Commodity Murabahah via Tawarruq Transaction as it is.

(d) Any defect in the Commodity which is discovered and consented to by the Customer's Agent at the time of the completion of the Commodity Sale shall disqualify the Customer/Customer's Agent from the entitlement to the Defect Option in respect of such defect in the Commodity.

(e) Despite **Clause 43(b)** above, the parties mutually and expressly agree that the Bank's liability for any defect to the Commodity prior to the completion of the Commodity Sale shall be waived, save and except where the same is attributable to the Bank's gross negligence, wilful misconduct, wilful default or fraud.

44. WARRANTIES

(a) You acknowledge that:

(i) the Commodity is sold on an "as is where is" basis but free from encumbrances; and

(ii) you waive any claims which you may have against the Bank in respect of any loss or damage which the Bank, or its officers, employees or agents, may suffer by reason of, or arising out of or in connection with the Letters of Offer, the Commodity Murabahah via Tawarruq Transaction Documents or the security documents (however arising) in connection with or arising from any Commodity Murabahah via Tawarruq Transaction and/or purchase of Commodity from the Commodity Supplier, save and except where such defect is attributable to the Bank's gross negligence, wilful misconduct, wilful default or fraud.

(b) You agree that the Bank in acting as your appointed agent to sell the Commodity to the Commodity Broker is authorised to take all necessary actions to facilitate the selling of the Commodity to the Commodity Broker, which includes the authority to send and/or receive notices in relation to the Commodity Murabahah via Tawarruq Transactions on your behalf using the Bank's postal address, email address, telephone and/or facsimile numbers.

45. LIMITATIONS

The Bank's obligation to accept a Commodity Purchase Order and enter into a Commodity Murabahah via Tawarruq Transaction is subject to:

(a) the Bank being satisfied that no circumstances exist and no event has occurred so as to jeopardise the Bank's security and/or to render the SMF-i Facility immediately payable and no event of default as set out in the Letters of Offer or under any agreement or arrangement referred to in the security documents shall have happened and be continuing;

(b) the representations and warranties as set out in this Letter of Offer are true and correct in all respects as if made on the date on which the Commodity Purchase Order is delivered to the Bank and repeated by reference to the then existing circumstances;

(c) no extraordinary circumstance or change of law or other governmental action shall have occurred which materially and adversely affects the Customer's or the Security Party's ability to observe and perform the covenants and obligations on their part to be observed and performed under the provisions of the security documents;

(d) the availability of Commodity and availability of Bank's fund;

(e) receipt by the Bank of a duly completed Commodity Purchase Order;

(f) the proper conduct of the Special Account and satisfactory utilisation of the SMF-i Facility.

46. EARLY SETTLEMENT OF DEFERRED SALE PRICE

Subject to the provisions of Shariah principles, you may make early settlement to the Bank of the Deferred Sale Price subject to the following conditions: -

(a) the Bank shall have received from you not less than one (1) month prior written notice ("**Early Settlement Notice**") of your intention to make early settlement;

(b) you have paid in full all other monies due and outstanding under this Letter of Offer and the other security documents;

(c) the amount payable and the manner of payment by you in respect of such early settlement shall be determined and notified by the Bank at its discretion in accordance with the principles of Shariah; and

(d) any Early Settlement Notice once given pursuant to this **Clause 46** shall be irrevocable and you shall pay the amount as determined and notified by the Bank on the date specified in such Early Settlement Notice.

47. PREPAYMENT IN RELATION TO SMF-i FACILITY

Subject to the provisions of Shariah principles, you may prepay the Deferred Sale Price subject to the following conditions:

(a) the Commodity Sale shall remain valid until the whole Deferred Sale Price has been paid by you to the Bank and any sale of the Commodity by you subsequent to the date of the Commodity Sale Certificate but prior to payment of the Deferred Sale Price shall not in any way impair or absolve your obligations under the Commodity Sale;

(b) the Bank shall have received from you not less than thirty (30) Business Days' (or such shorter time period as the Bank may agree) prior written notice ("**Prepayment Notice**") of your intention to prepay specifying the relevant instalment to be paid and the date of such payment;

(c) you may, without penalty or premium, (other than in respect to costs payable by the Bank for which you shall be liable) if you have given to the Bank not less than thirty (30) Business Days' prior written notice (or such shorter time period as the Bank may agree) and the Customer have agreed in writing, prepay the whole, or any part of, the Deferred Sale Price;

(d) you have paid in full all other monies due and outstanding under this Letter of Offer and the other security documents;

(e) the amount payable by you in respect of such prepayment shall be determined by the Bank at its discretion in accordance with the principles of Shariah; and

(f) any Prepayment Notice once given pursuant to this **Clause 47(b)** shall be irrevocable, shall specify the date upon which such prepayment is to be made and the amount of such prepayment and shall oblige you to make such prepayment on such date.

48. ANTI-MONEY LAUNDERING, ANTI-TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001 (ACT 613) ("AMLA")

48.1 You hereby represent, warrant, and undertake with the Bank that:-

a) you have not engaged, and shall not at any time engage, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;
b) you have not acquired, received, possessed, disguised, transferred, converted, exchanged, carried, disposed of or used, and shall not at any time acquire, receive, possess, disguise, transfer, convert, exchange, carry, dispose of or use, proceeds of an unlawful activity or instrumentalities of an offence;
c) you have not removed from or brought into Malaysia, and shall not at any time remove from or bring into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence;

d) you have not concealed, disguised or impeded, and shall not at any time conceal, disguise or impede, the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence;
e) you will at all times comply with the Regulatory Requirements (as defined below in Clause 48.3);
f) you will be fully liable if found to have contravened the Regulatory Requirements (as defined below in Clause 48.3) causing legal repercussion to RHB due to its actions; and
g) you understand that any breach(es) due to AMLA and sanction requirements are non-negotiable.

48.2 For the purpose of this Clause, the following are the definitions:

"instrumentalities of an offence" means:-

a) any thing which is used in, or in connection with, the commission of any unlawful activity; or
b) any property which is wholly or partly used in, or in connection with, the commission of any unlawful activity,

whether the thing or property is situated within or outside Malaysia.

"proceeds of an unlawful activity" means any property, or any economic advantage or economic gain from such property, within or outside Malaysia:-

a) which is wholly or partly: -
   (i) derived or obtained, directly or indirectly, by any person from any unlawful activity;
   (ii) derived or obtained from a disposal or other dealings with the property referred to in subparagraph (i); or
   (iii) acquired using the property derived or obtained by any person through any disposal or other dealings referred to in subparagraph (i) or (ii); or
b) which, wholly or partly, due to any circumstances such as its nature, value, location or place of discovery, or to the time, manner or place of its acquisition, or the person from whom it was acquired, or its proximity to other property referred to in subparagraph (a)(i), (ii) or (iii), can be reasonably believed to be property falling within the scope of subparagraph (a) (i), (ii) or (iii);

"property" means:-

a) assets of every kind, whether corporeal or incorporeal, moveable or immovable, tangible or intangible, however acquired; or
b) legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including currency, bank credits, deposits and other financial resources, traveller's cheques, bank cheques, money orders, capital market products, drafts and letters of credit,

whether situated within or outside Malaysia, and includes a legal or equitable interest, whether full or partial, in any such property;

"unlawful activity" means: -

a) any activity which constitutes any serious offence or any foreign serious offence; or
b) any activity which is of such a nature, or occurs in such circumstances, that it results in or leads to the commission of any serious offence or any foreign serious offence,

regardless whether such activity, wholly or partly, takes place within or outside Malaysia;

"serious offence" means: -

a) any of the offences specified in the Second Schedule of AMLA;
b) an attempt to commit any of those offences; or
c) the abetment of any of those offences;

"transaction" includes an arrangement to open an account involving two (2) or more persons and any related transaction between any of the persons concerned and another;

48.3 You acknowledge and agree with the Bank that:-

a) the Bank is obliged to comply with all applicable laws, regulations, directives, policy documents, guidelines, practice directions, sanctions, industry standards and practices and other requirements, including without limitation the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Strategic Trade Act 2010, Financial Services Act 2013 and the Islamic Financial Services Act 2013, to which the Bank as a licensed Islamic financial institution may from time to time be subject to in Malaysia (collectively, "**Regulatory Requirements**");
b) the Bank shall be entitled to do or refrain from doing any act or thing, for compliance with the Regulatory Requirements;
c) if the Bank is of the opinion that any event or circumstance (whether related or not), which would make it unlawful or illegal for the Bank to approve the Facility has occurred or arisen, or the approval of the Facility would contravene any of the Regulatory Requirements (in whole or in part), including without limitation the Bank's receipt of any alert or positive name match from the relevant checks conducted on the Customer and any related third party involved in the underlying transaction(s) (including without limitation the vendor/ developer/ promoter/ agent/ trustee/ supplier who are involved in the provision of services) by the Bank pursuant to the

Regulatory Requirements, then, notwithstanding anything to contrary contained in this document, the Bank shall, at any time by giving not less than fourteen (14) working day's written notice or such shorter period as required or permitted by such Regulatory Requirements, be entitled to:-

(i) Suspend the Facility, and do all such acts and things as may be necessary to comply with the Regulatory Requirements; and/or

(ii) Cancel the Facility and terminate its relationship with you, and do all such acts and things as may be necessary to comply with the Regulatory Requirements.

d) If the Facility is cancelled/terminated by the Bank pursuant to their compliance to Regulatory Requirements:-

(i) no utilisation or further utilisation of the services under the Facility shall be allowed; and

(ii) the Bank shall be entitled to exercise all or any of its rights and remedies available to it under the relevant facilities agreement, the security documents, the applicable laws or otherwise;

e) it shall provide all such documents and information as the Bank may require (at all times during the term of the Facility) for the purposes of complying with the Regulatory Requirements;

f) the Bank shall be entitled to stop all services to be performed and received under the Facility until such further notice (revocation order) is received from the said enforcement agency or the cease of the order (whichever the first); or unless there is a variation order.

49. MALAYSIAN ANTI-CORRUPTION COMISSION ACT 2009 ("MACC ACT")

49.1 You are required to read and understand the RHB Bank Berhad's Group Anti-Bribery & Corruption Policy which is available on the Bank's website at www.rhbgroup.com. If you do not understand the policies, procedures or any related updates, you may contact RHB's Group Integrity & Governance Division at integrity.governance@rhbgroup.com.

49.2 You represent and warrant to the Bank that you are in compliance with all the relevant laws, regulatory requirements and the anti-corruption policies and procedures of the Bank, including all anti-corruption and anti-bribery laws and regulatory requirements, and will at all times remain in compliance with all such laws, regulatory requirements and the anti-corruption policies and procedures of the Bank. You agree that you will co-operate with the Bank to complete any verification exercises conducted by the Bank in accordance with the anti-corruption policies and procedures of the Bank, including providing all documents and/or information required by the Bank.

49.3 You further represent and warrant to the Bank that you have not nor are suspected of having given, promised, offered, solicited, accepted, obtained, received, agreed or attempted so to do, and will not at any time give, promise, offer, solicit, accept, obtain, receive, agree or attempt so to do, any forms of gratification, whether directly or indirectly, to or from any person connected or associated to the SMF-i Facility or your affairs or business ("**Person**") in order to:

(i) improperly influence any act, omission or decision by that Person in respect of any matter or transaction, whether actual or proposed or likely to take place; or

(ii) improperly induce that Person to use the Person's influence with or on any entity or any other person to affect any act, omission or decision by such entity or other person; or

(iii) secure any improper advantage.

For purposes of this Letter of Offer, the "gratification" has the meaning set out in Section 3 of the MACC Act (*Interpretation*), which is extracted below:

a) money, donation, gift, loan/facilities, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;

b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;

c) any payment, release, discharge or liquidation of any loan/ facilities, obligation or other liability, whether in whole or in part;

d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;

e) any forbearance to demand any money or money's worth or valuable thing;

f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and

g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

49.4 You agree that you shall upon the occurrence of any of the above stated events, at the earliest opportunity thereafter, report such events to the Malaysian Anti-Corruption Commission or a police officer, and the confidential reporting channel (Speak Up Corner) of the Bank available on the Bank's corporate website at www.rhbgroup.com. Failure to make such report amounts to an offence and on conviction will attract a fine not exceeding Ringgit Malaysia Ten Thousand (RM10,000.00) or imprisonment for a term not exceeding two (2) years or both.

49.5 The occurrence of any of the foregoing activities shall amount to an event of default under the SMF-i Facility and the Bank shall be entitled without further notice to you to immediately exercise all or any of its rights, powers and remedies under the SMF-i Facility or by statute or otherwise, and the Bank shall make the necessary disclosures in compliance with the relevant laws and regulatory requirements.

50. FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")/COMMON REPORTING STANDARD ("CRS")

a) If there are any updates/changes that affect your tax residency / FATCA / CRS status, you agree to notify and furnish the Bank with relevant foreign Tax Identification Number ("**TIN**") and/or documentary evidence within thirty (30) days of such change. Further, you consent to and authorise the Bank to perform any of the following, if applicable:
   (i) withhold any applicable payments in the account(s);
   (ii) report/disclose/exchange any information/documents relating to your accounts/affairs to the Inland Revenue Board of Malaysia or any foreign tax authorities/inland revenue authorities in compliance with any tax requirements; and
   (iii) terminate (with prior written notice) your contractual relationship(s) with the Bank.

b) By using or accepting the SMF-i Facility, you confirm and agree that:
   (i) you have read the terms and conditions in relation to FATCA and CRS and fully understand the implications of these terms and conditions by which you irrevocably agree to be bound;
   (ii) any agreement, waiver, representation and/or confirmation given in, or to be given pursuant to, these terms and conditions is irrevocable;
   (iii) it is your responsibility to obtain independent professional advice from adequately qualified legal or tax advisors on your obligations under and the consequences of these terms and conditions. The Bank does not provide tax or legal advice and are unable to advise you regarding the United States federal income tax or other tax consequences to you under your particular circumstances; and
   (iv) in the event of any conflict or inconsistency between any of the contents of these terms and conditions and other terms and conditions that govern your relationship with the Bank, these terms and conditions in relation to FATCA and CRS shall prevail.

For clarification, unless the context hereunder requires otherwise, the following words and expressions shall have the following meaning:

"CRS" was developed in response to the G20 request and approved by the Organisation for Economic Co-operation and Development (OECD) Council on 15 July 2014, calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. It sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions.

"Controlling Person" are the natural person(s) who exercise control over an entity. Where that entity is treated as a Passive Non-Financial Entity ("**Passive NFE**") then a financial institution is required to determine whether or not these Controlling Persons are Reportable Persons. This definition corresponds to the term "beneficial owner" described in Recommendation 10 and the Interpretative Note on Recommendation 10 of the Financial Action Task Force Recommendations (as adopted in February 2012).

In the case of a trust, the Controlling Person(s) are the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, or any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership). Under the CRS the settlor(s), the trustee(s), the protector(s) (if any), and the beneficiary(ies) or class(es) of beneficiaries, are always treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust. Where the settlor(s) of a trust is an Entity then the CRS requires financial institutions to also identify the Controlling Persons of the settlor(s) and when required report them as Controlling Persons of the trust. In the case of a legal arrangement other than a trust, Controlling Person(s) means persons in equivalent or similar positions.

"Entity" means a legal person or a legal arrangement, such as a corporation, organisation, partnership, trust or foundation.

"FATCA" means the Foreign Account Tax Compliance Act which was passed as part of the Hiring Incentives to Restore Employment (HIRE) Act, which generally requires that foreign financial Institutions and certain other non-financial foreign entities report on the foreign assets held by their United States. account holders or be subject to withholding on withholdable payments. The HIRE Act also contained legislation requiring United States. persons to report, depending on the value, their foreign financial accounts and foreign assets.

"Personal Information" in respect of you and any Controlling Person, means: (i) where you and any Controlling Person is/are an individual, his/her full name, date and place of birth, residential address, mailing address, contact information (including telephone number), and any TIN, social security number, citizenship(s), residency(ies) and tax residency(ies) or (if applicable) such other information as the RHB Banking Group may reasonably require regarding you and any Controlling Person; (ii) where you and any Controlling Person is/are a corporate/entity, its full name, date and place of incorporation or formation, registered address, address of place of business, tax identification number, tax status, tax residency, registered address, address of place of business, certification of its CRS status/classification or (if applicable) such other information as the RHB Banking Group may reasonably require regarding each of your/its substantial shareholders and controlling persons.

"Reportable Jurisdiction" means a jurisdiction with which an obligation to provide financial account information is in place and that is identified in a published list.

"Reportable Persons" means an individual (or entity) that is tax resident in a Reportable Jurisdiction under the laws

of that jurisdiction. The Customer will normally be the "Reportable Person"; however, in the case of a Customer that is a Passive NFE, a Reportable Person also includes any Controlling Persons who are tax resident in a Reportable Jurisdiction. Dual resident individuals may rely on the tiebreaker rules contained in tax conventions (if applicable) to solve cases of double residence for purposes of determining their residence for tax purposes.

"TIN" (including "functional equivalent") means Taxpayer Identification Number or a functional equivalent in the absence of a TIN. A TIN is a unique combination of letters or numbers assigned by a jurisdiction to an individual or an Entity and used to identify the individual or Entity for the purposes of administering the tax laws of such jurisdiction. Further details of acceptable TINs can be found at the following link [https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers]. Some jurisdictions do not issue a TIN. However, these jurisdictions often utilise some other high integrity number with an equivalent level of identification (a "functional equivalent"). Examples of that type of number include, for Entities, a business/company registration code/number.

"Tax Information" in respect of you and any Controlling Person, means: (i) any documentation or information (and accompanying statements, forms, representations, waivers and consents as the RHB Banking Group may from time to time require or as you and any Controlling Person from time to time give) relating, directly or indirectly, to the tax status of you and any Controlling Person; (ii) personal Information of the Customer and any Controlling Person; (iii) account information; and (iv) any other information received by any member of the RHB Banking Group in relation to you, including information collected and maintained pursuant to Anti-Money Laundering/ Know Your Customer (AML/KYC) procedures.

51. VALUE AND ACCEPTABILITY OF SECURITIES

The value and acceptability of any securities in the Bank's custody and possession shall be determined at the discretion of the Bank.

(a) **Securities given 'Nil' Market Value:**
All counters that are under PN17, amended PN17, PN4, PN1, GN3, non-equity securities with maturities less than one hundred and eighty (180) days, structured warrants, foreign currency denominated securities and suspended counters and **any counters which at the Bank's discretion at any time to determine the acceptability and the value of the said securities.**

(b) **Non Acceptable Securities**
Securities which you are prohibited from buying using the SMF-i Facility or depositing as collateral in compliance with the prohibition under the IFSA 2013 are as follows:

1. RHB Bank Berhad

(c) **Securities under Trading Restriction**
The Bank will not finance the purchase of securities under trading restriction as prescribed by the Bursa Malaysia from time to time where payment is required upfront prior to execution of purchases.

Therefore, the value and acceptability of the securities in the Bank's custody and possession shall be subject to the aforementioned **Clauses 51(a) to 51(c).**

ADDITIONAL TERMS AND CONDITIONS RELATING TO POSITIVE COVENANTS, NEGATIVE COVENANTS, REPRESENTATIONS AND WARRANTIES AND EVENTS OF DEFAULT ("ADDITIONAL TERMS AND CONDITIONS")

Words and expressions defined in the Letter of Offer shall, unless otherwise expressly defined in this Additional Terms and Conditions, have the same meanings when used in this Additional Terms and Conditions.

1. POSITIVE COVENANTS

You expressly covenant with the Bank that you shall and/or shall ensure that at all times during the continuance of the Letter of Offer, where applicable:

(a) **Payment of Outgoings**

Punctually pay or cause to pay all existing current and future service charges, taxes and all outgoings which are now or in future payable in connection with or arising out of your business and obtain all necessary licences and comply with all regulations relating to the carrying on of your business. You shall produce to the Bank the receipts for all such payments as aforesaid.

In the event you fail to pay any money covenanted to be paid under the Letter of Offer, it shall be lawful for but not obligatory upon the Bank to pay the same or any part of the same.

All monies expended by the Bank shall constitute an advance by the Bank to you and such advance shall be deemed to be due from and payable by you to the Bank (upon demand in writing to you by the Bank) on the date such monies are expended by the Bank. Until payment, such monies shall be deemed to form part of the indebtedness and to be secured under the security documents to the SMF-i Facility.

(b) **Dealings with Security**

Not sell, transfer, charge or otherwise howsoever deal with nor allow to be sold, transferred, charged or otherwise howsoever dealt with the security or any part of the security or any interest in the security or make or allow to be made the same subject to any burden, charge, encumbrance, liability or lien whatsoever or make or allow to be made any application for the surrender of the security or any part of the security or any interest in the security.

(c) **Audited Accounts (where you are a body corporate)**

Keep full and up to-date accounts and to furnish the Bank with your audited balance sheets and profit and loss account and the annual report of your directors every year within one hundred and eighty (180) days of the end of your financial year, such balance sheets and accounts to be duly audited and certified by qualified independent auditors acceptable to the Bank.

(d) **Financial and Other Information**

Furnish or cause to furnish to the Bank any other financial information or such other information relating to you or your business or on any asset to be provided to the Bank as security as may reasonably be requested by the Bank from time to time.

(e) **Observance of Security Documents**

Observe and perform the terms and conditions of the Letter of Offer and the other security documents or to cause to be observed and performed the terms and conditions of the security documents.

(f) **Change of Address**

Immediately inform the Bank of any change in the place of business or registered office or residential address of you or of any Security Party.

(g) **Compliance with Paragraph 21 of Standard Terms and Conditions Covering SMF-i Facility**

Deliver to the Bank upon demand any documents or evidence under paragraph 21 of the Standard Terms and Conditions Covering SMF-i Facility and to comply with all the terms and conditions of paragraph 21 of the Standard Terms and Conditions Covering SMF-i Facility which have been temporarily waived.

(h) **Approvals and Consents**

Comply or cause to comply with all conditions imposed and to maintain or cause to maintain in full force and effect all authorisations, licences, approvals and consents.

(i) **Notification of Default**

Immediately notify or cause to notify the Bank of the occurrence of any event of default or of any event of default in relation to any other of your indebtedness or of any other occurrence of which you become aware which in your reasonable opinion might adversely affect your ability to fully comply with your obligations under the Letter of Offer.

(j) **Change in Signatories**

Immediately notify the Bank of any change in your authorised signatories and to notify the Bank if any of your authorised signatories shall no longer be authorised to sign or otherwise to act on your behalf.

(k) **Change in Condition**

Promptly notify the Bank of any material change in the condition or performance or nature of your business or constitution or any other matters of or affecting you where applicable, any Security Party.

(l) **Business Affairs**

Carry on your business and affairs with due diligence and efficiency and in accordance with sound financial and business standards and practices generally applicable to the industry and in accordance with your constitution as amended from time to time.

(m) **Supplying Information**

Promptly inform the Bank of (i) any legal proceedings, litigation or claims of a material nature involving you, (ii) any labour controversy which might result in a strike against you, (iii) any matter which has adversely affected or might adversely affect your ability to fulfill your respective obligations under the security documents, (iv) the happening of any event likely to have a substantial effect on your profits, business and operations, (v) any changes in your accounting policy, (vi) any change in your directorships partnership and/or majority or controlling shareholding, and (vii) the creation of any security interest on any of your property or asset.

(n) **Appointment of Auditors**

Appoint from time to time only such auditor or firm of auditors acceptable to the Bank and authorise such auditor or firm of auditors to supply to the Bank with a certified copy of any communication sent by such auditor to you and further to communicate directly with the Bank at any time in respect of any matter connected with your accounts and operations.

(o) **Allotment of Shares and Annual Returns**

Keep and maintain your present paid up share capital and any increases and submit to the Bank a certified copy of your Annual Returns and its Return of Allotment of Shares as submitted to the Companies Commission of Malaysia from time to time.

(p) **Change in Directors, Shareholders and Management**

Immediately notify the Bank of any change in your board of directors or management or major or controlling shareholders or partners.

(q) **Inspection**

Permit at all times the Bank, its officers, servants and/or agents to inspect all your records at any of your office, branch or place of business or elsewhere and all records kept by any other authorities or persons in so far as such records relate to or affect your businesses and properties and for the purpose of such inspection, give to or procure for the Bank and any officer, servant and/or agent of the Bank such written authorisations as may be required by the Bank.

(r) **Advances**

Ensure that all financings, loans or advances from your directors, shareholders and related corporation are subordinated to the SMF-i Facility.

2. NEGATIVE COVENANTS

You covenant with the Bank that during the continuance of the Letter of Offer you shall not, where applicable, without the prior written consent of the Bank:-

(a) **Reconstruction or Amalgamation (where you are a body corporate)**

Effect or undertake or permit any form of merger, reconstruction, consolidation or amalgamation by way of a scheme of arrangement or otherwise approve, permit or suffer any change of ownership or transfer of any part of your issued capital.

(b) **Advances and Guarantees**

Make or permit to exist loans or lend or make advances to any person, firm, company (other than a wholly owned subsidiary where you are a body corporate) or guarantee any person, enterprise or company (other than normal trade credit or trade guarantees or temporary loans to staff, customers, contractors or suppliers in the ordinary course of business).

(c) **Incur Liabilities**

Incur, assume, guarantee or permit to exist any indebtedness except: -

(i) such loans, credit facilities or accommodation as have been disclosed in writing to and consented to in writing by the Bank;

(ii) short term debts incurred or obtained in the ordinary course of business on commercial terms and on the basis of arm's length transaction;

(iii) the secured amounts; and

(iv) those permitted under the security documents.

(d) **Alteration of Constitution (where you are a body corporate)**

Add to, delete, vary or amend your constitution in any manner which would be inconsistent with the provisions of the Letter of Offer or any of the other security documents or change your financial year.

(e) **Disposal of Assets**

Sell, transfer (save and except your ordinary course of business on ordinary commercial terms and on the basis of arm's length arrangements) or lease or otherwise dispose of all or a substantial part of your assets.

(f) **Change in Share Capital (where you are a body corporate)**

Decrease or in any way whatsoever (other than by way of increase) your authorised or issued capital whether by varying the amount, structure or value of the authorised or issued capital or the rights attached to the authorised or issued capital or convert any of your share capital into stock or by consolidating, dividing or subdividing all or any of your shares.

(g) **Section 366 of the Companies Act 2016**

Apply for any order under Section 366 of the Companies Act 2016 (*Power of Court to order compromise or arrangement with its creditors and members)* or enter into any compromise or arrangement with your creditors or any class of them or your members of any class of them or propose any such compromise or arrangement pursuant to Section 366 of the Companies Act 2016.

(h) **Change in Nature of Business**

Make any alteration to the general nature of your business or businesses and your financial year as specified in your application for the SMF-i Facility.

(i) **Change in Shareholders**

Permit any changes in your major and/or controlling shareholders and the respective shareholding of the major and/or controlling shareholders.

(j) **Repayment to Subsidiary etc.**

Repay to such of your subsidiary or associate companies, directors and shareholders the advances or any portion of the advances, made by such subsidiary or associate companies, directors and shareholder.

(k) **Judgment**

Allow any judgment entered against you to remain unsatisfied for more than fourteen (14) days after such judgment is served on you.

(l) **Transaction**

Enter into any transaction with any person, firm or company except in the ordinary course of business and at arm's length commercial terms.

(m) **Partnership**

Enter into any partnership, profit-sharing or royalty agreement whereby your income or profits are, or might be, shared with any other person, firm or company.

(n) **Management Contract**

Enter into any management contract or similar arrangement whereby your business or operations are managed by any other person, firm or company.

3. SPECIAL COVENANTS

(a) **Positive Covenants**

In addition to the positive covenants as stipulated in paragraph 1 of this Additional Terms and Conditions**,** you undertake that during the Facility Period you will, where applicable:

(i) channel all/[•]% business proceeds to a Special Account or any other account maintained with the Bank;
(ii) furnish the Bank your quarterly report on the inventory status and debtor aging list;
(iii) ensure that throughout the Facility Period, the ultimate shareholder's shareholdings in your company shall not be less than [e.g. seventy percent (70%)] of the total shareholdings;
(iv) actively utilise the SMF-i Facility granted to you.
(v) cause and ensure that all and any director's advances are to be subordinated at [xxxxx] throughout the Facility Period.
(vi) be required to sign up RHB Reflex and/or Joy@Work within six (6) months from the date of disbursement of the SMF-i Facility, failing which profit would (subject to Shariah principles) be revised upward by one percent (1%) per annum above the prescribed Effective Profit Rate for the SMF-i Facility.

(b) **Financial Covenants**

In addition to the positive covenants and negative covenants as stipulated in paragraphs 1 and 2 of this Additional Terms and Conditions**,** you undertake with the Bank that, during the Facility Period, you will ensure that the total financing to tangible net worth (known as gearing ratio) does not exceed two point five times (2.5x) at all time as per the following formula: -

$$\frac{\text{Total Financing}}{\text{Tangible Net worth + Subordination of Shareholders and Directors Advances}}$$

4. REPRESENTATIONS AND WARRANTIES

You represent and warrant to the Bank that: -

(a) you have full legal right, authority, power and capacity to accept and to obtain the SMF-i Facility and to perform the terms of the Letter of Offer. In the event you are a company, you are a company duly incorporated and validly existing under the laws of Malaysia and have full power and authority to carry on your present business;

(b) your acceptance of the Letter of Offer and the performance of its terms will not contravene any law, regulation, order or decree of any governmental authority, agency or court to which you are subject to;

(c) you are not in default under any agreement to which you are a party or by which you may be bound and no litigation, arbitration or administrative proceedings are presently current or pending or threatened against you;

(d) all information furnished by you to the Bank in connection with the SMF-i Facility are true and correct and there has been no omission which would render the information inaccurate or misleading;

(e) your last financial statements have been prepared in accordance with accounting principles and practices generally accepted in Malaysia and give a true and fair view of your financial position as at that date;

(f) there are no steps, application, petition or order for any voluntary arrangement, judicial management, scheme of compromise, arrangement, reorganisation, reconstruction or amalgamation, bankruptcy or insolvency have been taken or are being taken to appoint any nominee, trustee, supervisor, judicial manager, administrator, receiver and manager, or liquidator or similar officer to take over or winding-up proceedings currently pending or threatened against you;

(g) you are responsible for assessing the terms in the Letter of Offer and shall seek own independent legal and/or Shariah advice. You agree that the SMF-i Facility granted or to be granted to you is in conformity with the Shariah principles stated in the Letter of Offer and confirm that you would not have and will not raise, any objections as to matters of Shariah compliance in respect of the SMF-i Facility;

(h) you are not related to/a guarantor to/in control of/controlled by any of the directors, controlling shareholders, officers of the RHB Banking Group, member of the Shariah Committee of the Bank and their respective close relatives (spouse and dependents of the spouse, child (including step/adopted child) and spouse of the child, parent and brother or sister and their spouses). None of the directors, controlling shareholders, officers of the RHB Banking Group, member of the Shariah Committee of the Bank and their respective close relatives is a director, partner, executive officer, agent or guarantor in your firm/partnership/company/legal entity and/or subsidiaries/entities controlled by you;

(i) all consents, authorisation and approvals which are required to be obtained in connection with or are necessary for the acceptance, delivery, legality or enforceability of the Letter of Offer and the use of the SMF-i Facility have been obtained and are in full force and effect;

(j) no event or circumstance has occurred, nor has there been any omission to disclose a fact which, in any such case, to the best of your knowledge and belief after due enquiry would entitle any takaful provider/insurer to avoid or reduce its liability under any takaful or insurances and all takaful or insurances required under the security documents to be effected by you have been so effected and are valid and binding and in full force and effect and all contributions or premiums due have been paid (if applicable);

(k) despite anything contrary contained in the Letter of Offer and whether it is prior to the time for annual review, the SMF-i Facility may be reviewed at any time and is subject to the Bank's overriding right of suspension, withdrawal and acceleration of payment on demand, as well as the right to call for cash cover or other acceptable security on demand (which shall be in addition, and not subject to, any similar right stipulated for any of the SMF-i Facility);

(l) nothing contained in the Letter of Offer shall be deemed to impose on the Bank any obligation to make or to continue to make available the SMF-i Facility or any advances under the SMF-i Facility to you; and

(m) the Letter of Offer embodies in writing all terms for the SMF-i Facility to be granted to you and any warranties, promises, representations and collateral agreements that may have been made to you orally or otherwise in the course of the pre-contractual negotiations which have not now been included in the Letter of Offer shall be deemed to have lapsed and not legally binding upon you nor shall it be raised as a defense or to support any claim by you in any legal proceeding.

5. EVENTS OF DEFAULT

You are deemed to have committed a default if you commit or threaten to commit a breach of any of the covenants, undertakings, stipulations, terms, conditions, or provisions stipulated in the Letter of Offer and without affecting to the generality of the foregoing, upon the happening of any one or more of the following events: -

(a) **Non-Payment**

if you fail or default in the payment of any sum of money under the SMF-i Facility payable on its due date whether formally demanded or not or if due on demand when demanded by virtue of the provisions contained in the Letter of Offer or in the other security documents; or

(b) **Breach of Other Terms and Conditions**

if you breach any term of any of the security documents or in any document delivered pursuant to the SMF-i Facility or the security documents or fails to comply with any notice given under any of the security documents requiring either of them to remedy any breach of the terms of such security documents within the time stipulated; or

(c) **Breach of Representations and Warranties**

if any representation or warranty made or implied pursuant to paragraph 4 of this Additional Terms and Conditions or any other provision of the Letter of Offer or pursuant to any notice, certificate, letter or other document delivered pursuant to the terms of the Letter of Offer is incorrect or misleading (as determined by the Bank) in a material particular as of the date on which it was made or deemed to have been made; or

(d) **Your Ability and/or Ability of Security Party to Perform Terms in Security Documents**

if an event has, or events have occurred, or a situation exists, which could or might, in the opinion of the Bank affect your and/or the Security Party's ability to perform your and/or the Security Party's respective obligations, as the case may be, under the security documents in accordance with their respective terms or if you or any Security Party who is a natural person or individual dies or become insane or is adjudged a bankrupt; or

(e) **Validity of the Security Documents**

if any of the security documents cannot be perfected for any reason or shall be challenged with regard to its validity by any person; or

(f) **Security in Jeopardy**

if the Bank shall be of the opinion that any of the security created pursuant to the security documents is in jeopardy; or

(g) **Illegality**

it is or will become unlawful for you or any Security Party to perform or comply with any one or more of your/their obligations under the Letter of Offer or the other security documents, as the case may be; or

(h) **Authorisation and Consents**

any action, condition, consent or thing at any time required to be taken, fulfilled or done for any of the purposes stated in the Letter of Offer is not taken, fulfilled or done or ceases to be in full force and effect without modification or any licence, authorisation, approval, consent, order or exemption referred to the Letter of Offer is revoked or withheld or materially modified or is otherwise not granted or fails to remain in full force and effect; or

(i) **Breach of Terms of the Letter of Offer**

if any of the parties to any agreements in respect of any security documents commits or threatens to commit a breach of any term, stipulation, covenant or undertaking contained in such agreements; or

(j) **Breach of Other Facilities**

if you commit a default of any provision of any agreement, or security documents, or both (as the case may be) relating to other accounts or loan or credits facilities granted by other parties including the Bank to you or other party in which you are a guarantor, or chargor or assignor; or

(k) **Cross Default**

if any other of your indebtedness becomes, or becomes capable in accordance with the relevant terms of being declared due prematurely by reason of a default by you in your obligations with respect to the same, or you fail to make any payment on the due date for such payment or if due on demand when demanded or upon the security for any such indebtedness becoming enforceable; or

(l) **Legal Proceedings**

if legal proceedings, suit or action of any kind (whether criminal or civil) be instituted against you which in the opinion of the Bank would materially and adversely affect your ability to perform and observe your obligations under the security documents; or

(m) **Security Enforceable**

if any present or future security on or over your assets becomes enforceable; or

(n) **Enforcement Proceedings**

if a distress or execution or other process of a Court of competent jurisdiction is levied upon or issued against any of your property or any part of your property and such distress execution or other process, as the case may be, is not discharged by you within seven (7) days from such date; or

(o) **Insolvency**

if you or, where applicable, any party whose debts, obligations or liabilities are guaranteed by you becomes insolvent, is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, begins negotiations or takes any proceeding or other step with a view to readjustment, rescheduling or deferral of all or any part of its indebtedness; or

(p) **Dissolution**

if any step or action is taken or a resolution is passed for your winding up, dissolution, liquidation or bankruptcy or a petition for winding up or bankruptcy, as the case may be, is presented against you or, if such proceeding or action has been taken by you, such step or petition is not discharged or stayed within twenty-one (21) days from the date of the taking of such step or petition; or

(q) **Assignment**

if you shall make an assignment for the benefit of your creditors or enter into an arrangement or composition for the benefit of your creditors or allow any judgment against you to remain unsatisfied for a period of fourteen (14) days or more unless an appeal against such judgment is pending and a stay of execution has been granted; or

(r) **Receivership**

if you shall enter into liquidation whether compulsorily or voluntarily or if a liquidator or a receiver and/or manager or judicial manager shall be appointed in respect of your undertaking or property or any part of such undertaking or property; or

(s) **Moratorium on Payments**

if you enter into or propose to enter into, or there is declared by any competent court or authority, a moratorium on the payment of indebtedness or other suspensions of payments generally; or

(t) **Declared Company (where you or the Security Party are/is a body corporate)**

if you are under investigation under the provisions of Part V of the Companies Act 2016 (*Miscellaneous)*; or

(u) **Operations of Account Unsatisfactory**

if in the absolute opinion of the Bank, your account with the Bank (including any other accounts you may have with the Bank) is or has not been operated satisfactorily; or

(v) **Cessation of Business**

if you shall cease or threaten to cease to carry on all or a substantial part of your business; or

(w) **Material Adverse Change**

if there shall occur a material adverse change in your business, assets, financial position; or

(x) **Exceeding of Approved Limit**

if the approved limit of the SMF-i Facility is exceeded despite that such excess arises as a result of any debit to your account made by the Bank; or

(y) **Change in Shareholders, Directors or Management**

if there is any change in your controlling shareholder(s), directors(s) or management(s) without the prior written consent of the Bank, where such consent is required; or

(z) **Material Diminution in Your Networth**

if there is any material diminution in your tangible networth as reflected in your latest audited financial statements; or

(aa) **Unsound Business Practices**

if in the opinion of the Bank (which shall be final and binding) you are not carrying on your business affairs in accordance with sound financial and industrial standards and practices; or

(bb) **Dishonoured Cheques Information System (DCHEQS)**

if you are blacklisted by the Dishonoured Cheques Information System (DCHEQS); or

(cc) **Other Events**

if any other event or series of events whether related or not has or have occurred which in the opinion of the Bank (which opinion shall be final and binding upon you) could or might affect your ability or willingness to comply with all or any of your respective obligations under the Letter of Offer or where applicable, under any of the security documents.