

FINANCE LEASE-i TERMS AND CONDITIONS

1.0 APPLICATION FOR THE FACILITY

The Customer has applied for the **Finance Lease-i Facility** ("Facility") and **BANK ISLAM MALAYSIA BERHAD** [Company No. 198301002944 (98127-X)] ("Bank Islam") has approved the said application pursuant to the Letter of Offer ("LO") and subject to the terms and conditions herein contained.

This Terms and Conditions ("T&C"), the LO and any transactions entered into pursuant to this Facility shall be in conformity with the Shariah requirements.

2.0 DEFINITION

In the T&C, unless otherwise provided, the following words shall have the meaning as set out below:

"Asset" means the asset described in the LO.

"Asset Purchase Agreement" means an agreement to be made between Bank Islam and the Customer relating to the purchase of the Asset by Bank Islam from the Customer at Bank Islam's Purchase Price and includes any amendments, variations and/or supplemental made or entered into from time to time.

"Authorised Signatories" mean any persons authorised, whether alone or jointly, by resolution of the Board of Directors or such appropriate constitutional body of the Customer from time to time to sign or certify any document for and on behalf of the Customer.

"Availability Period" means the period within which the Facility may be utilised as set out in the LO or such other period or periods as Bank Islam may specify in writing.

"Balance Due" means the due Total Rental or the due Exercise Price upon exercising the Purchase Undertaking by the Customer including any Ta`widh (compensation) under this T&C.

"Business Day" means a day (excluding Saturday, Sunday and public holidays) on which Bank Islam is open for transaction of business of the nature required by this Agreement.

"Customer" refers to the party whose name and description are stated in the LO (and includes its successors-in-title and permitted assigns).

"Deposit" means any deposit (including booking fees) paid by the Customer to the dealer/ supplier of the Assets which forms part of the Total Rental and amount described in the LO.

"Events of Default" refers to any of the events mentioned in this T&C under Events of Default section, or any event which, with the lapse of time and/or the giving of notice and/or a determination being made under the relevant paragraph, would constitute any of the events mentioned in this T&C.

"Exercise Price" means the total sale price of the Assets as determined by Bank Islam based on the Purchase Undertaking and as set out in the Notice of Sale.

"Facility" refers to the facility made or to be made available by Bank Islam to the Customer in the maximum amount as stated in the LO hereto and includes where applicable any additional (increase limit) facility granted or made available or agreed to be granted or made available or to be continued to be made available by Bank Islam to the Customer now or hereafter or from time to time and includes any part thereof.

"Facility Amount" means the total amount of the Facility as set out in the LO.

"Facility/ Ijarah Tenure" means the payment period of Monthly Rental payment in relation to the Facility and the lease of the Assets by the Customer from Bank Islam as set out in the LO.

"Force Majeure" means circumstances beyond the reasonable control of Bank Islam and the Customer including but not limited to any fire, earthquake, flood, epidemic, accident, explosion, casualty, lockout, riot, civil disturbance, act of public enemy, natural catastrophe, embargo, war or act of God.

"Indebtedness" means the Total Rental and all other amounts, including but not limited to Ta`widh (compensation), charges or costs from time to time due or payable by the Customer and/or the Security Party to Bank Islam under the Security Documents and all liabilities and obligations whether present or future for the payment of any monies by the Customer and/or the Security Party in respect of or arising from the Facility and/or the Security Document.

"Monthly Rental" means the rental/ instalment payments payable by the Customer to Bank Islam on monthly basis pursuant to the LO in the amount and on the dates as set out in the LO.

“Legal Process” refers to pleadings, all forms of originating process, interlocutory applications of whatever nature, affidavits orders and such documents other than the aforesaid which are required to be served under the Rules of Court, notices required to be given to the other under the Security Documents, documents and correspondence between the parties hereto, notices under the Companies Act, 2016, and the National Land Code, 1965/ the Sarawak Land Code (Cap 81)/ the Sabah Land Ordinance (Cap 68) (as the case may be) and the rules made thereunder.

“Letter of Offer” or **“LO”** refers to the agreement made between Bank Islam and the Customer in relation to the Facility in accordance with the financing procedure of Bank Islam which sets out the terms and conditions of the Facility and links the Security Documents and includes any amendments, variations and/or supplementals made or entered into from time to time.

“Month” means a calendar month.

“Notice of Sale” means the notice of sale from Bank Islam to the Customer pursuant to the Purchase Undertaking, relating to the sale of the Assets by Bank Islam to the Customer at the Exercise Price and includes any amendments, variations and/or supplementals made or issued from time to time.

“Purchase Undertaking” means the undertaking executed by the Customer in favour of Bank Islam relating to the Customer’s undertaking to purchase the Assets from Bank Islam, including any additions, amendments or variations from time to time executed in supplemental or substitution thereof.

“Security” refers to any security provided by the Customer and/or Security Party to Bank Islam from time to time in respect of the obligations and liabilities of the Customer (including but not limited to the payment of the Total Rental or Exercise Price) under and in connection with the Facility.

“Security Documents” refer to this T&C, the LO and includes other security documents, certificates and documents for the time being or from time to time constituting security executed or to be executed by the Customer and/or the Security Party for the obligations and liabilities (including but not limited to the payment of the Total Rental) of the Customer under and in connection with the Facility.

“Security Interest” refers to any mortgage, charge, pledge, debenture, caveat, right of set off or any other security interest whatsoever, howsoever created or arising.

“Security Party” refers to the Customer and the party or parties referred to in the LO for the time being providing security for the obligations and liabilities of the Customer (including but not limited to the payment of the Total Rental or Exercise Price) under and in connection with the Facility.

“Total Rental” means the total amount to be paid by the Customer to Bank Islam, including Deposit, as per amount set out in the LO.

3.0 DEFINITIONS OF MUAMALAT TERMINOLOGIES

“Ijarah” means a lease contract that transfers the ownership of a usufruct of an asset to another person for a specified period in exchange for a specified consideration.

“Wakalah” means a contract where a party, as principal (muwakkil) authorizes another party as his agent (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee.

“Wa`d” means a unilateral promise which refers to an expression of commitment given by one party to another to perform certain action(s) in the future.

“Bai`” means a sale contract.

4.0 INTERPRETATIONS

4.1 Words importing the singular number include the plural and vice versa.

4.2 Words importing the masculine gender include the feminine and neuter gender.

4.3 The words “hereof”, “herein”, “hereon”, “hereinafter” and “hereunder” and words of similar import shall where the context requires or allows, refer to this T&C as a whole and not to any particular provision of this T&C.

4.4 Where an act is required to be done within a specified number of days after or from a specified date, the period is inclusive of and begins to run from the date so specified.

4.5 The word “law” includes common or customary law and any constitution, decree, judgement, legislation order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, request or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with general practice of persons to whom the directive, regulation request or requirement is addressed).

4.6 Where the Customer is an artificial person, the provisions contained herein which are primarily and literally applicable to the case of natural persons shall be construed and take effect as if the Customer were a natural person and shall bind all of its

assigns and successors-in-title. Accordingly, any references herein relating to bankruptcy shall thereafter be references relating to winding-up, liquidation, amalgamation or reconstruction.

- 4.7 Where the expression "the Customer" includes two (2) or more persons, then the liabilities of such persons shall be joint and several.
- 4.8 Reference to any statute shall be a reference to that statute as amended or re-enacted from time to time.
- 4.9 The word "person" includes natural and legal persons including a sole proprietorship, firm, partnership, company, cooperative society, society, statutory body, association and anybody of individuals, whether incorporated or not.

5.0 METHOD OF FINANCING

- 5.1 The Facility is applying a Shariah principle of Ijarah (lease) where Bank Islam (lessor) will lease Assets to the Customer (lessee) which ends with a transfer of ownership to the Customer through a Bai' (sale) contract.
- 5.2 The lease by Bank Islam to the Customer will take effect immediately once Bank Islam had acquired the Assets after full disbursement is made and communicated via issuance of a Notification Letter to the Customer.
- 5.3 In the event the Customer had purchased the Asset from the dealer/supplier and proceed with partial/full payment, Bank Islam and the Customer will enter into an Asset Purchase Agreement for the acquisition of the Asset by Bank Islam at the Bank's Purchase Price.
- 5.4 There are two (2) undertakings provided by the Customer based on the Shariah principle of Wa'd in connection with the Facility. These undertaking will take effect upon acceptance of the Facility by the Customer until the Balance Due is fully paid.

i. LEASE UNDERTAKING

The Customer irrevocably and unconditionally undertakes to lease the Assets upon the acquisition of the Assets by Bank Islam.

ii. PURCHASE UNDERTAKING

In consideration of the Customer's acceptance of the Facility, the Customer irrevocably and unconditionally undertakes to purchase the Assets and shall make full settlement based on the Exercise Price amount, on the occurrence of the following events:

- (a) Termination of this Facility by the Customer either due to expiration of this Facility or early settlement; or
- (b) Termination by Bank Islam due to the occurrence of Events of Default and the Customer's breach of any parts of this T&C.

- 5.5 In the event of expiration of this Facility or early settlement, the final rental payment shall be considered as the Exercise Price.
- 5.6 In the occurrence of Events of Default and/or the Customer's breach of any parts of this T&C, the Exercise Price shall be at the price computed using the formula below, which amount shall without any requirement of demand be immediately due and payable upon the termination. The Exercise Price is also referred to as total outstanding balance under this Facility and shall mean the sum equivalent to the aggregate of:
 - i. The balance originally payable under this Facility (or the remaining Total Rental);
 - ii. Late payment charges, if any; and
 - iii. Other sums payable by the Customer to Bank Islam under this Facility, inclusive and not limited to all costs and expenses incurred by Bank Islam in taking possession of the Assets arising from Events of Default (including legal costs on a solicitor and client basis).
- 5.7 The Exercise Price will be stated in the Notice of Sale which will be issued to the Customer, representing the sale and subsequent transfer of Assets ownership from Bank Islam to the Customer. Upon issuance of the Notice of Sale, the Customer hereby agrees that the sale is deemed executed.

6.0 DEPOSIT

Upon accepting this Facility, the Customer shall pay the amount of deposit as mentioned in the LO (hereinafter referred to as the "Deposit"). The Customer agrees that the Deposit shall form part of the Total Rental.

7.0 DELIVERY AND INSPECTION OF ASSETS

- 7.1 The Customer confirms and warrants that by accepting the Facility, the Customer had examined the Assets and satisfied that the Assets are in good order and condition, suitable and fit for the Customer's purpose and that any defects (if any) are accepted by the Customer.
- 7.2 Bank Islam shall appoint the Customer as its agent to accept the delivery of the Assets.

8.0 DISBURSEMENT OF THE FACILITY

Upon perfection of all legal documentation, Bank Islam shall credit the Facility Amount to an account as specified by the Customer or as determined by Bank Islam. Such crediting of the Facility Amount shall constitute the disbursement of the Facility to or for the benefit of the Customer.

9.0 PAYMENT BY THE CUSTOMER

- 9.1 The Customer shall pay the Monthly Rental, for the lease of the Assets, to Bank Islam in the amount and on the dates as set out in the LO. The commencement of the Monthly Rental shall be based on a calendar date after the full disbursement of the Facility is made.
- 9.2 All payments shall be made to the Facility account in accordance with the terms of this T&C.
- 9.3 Upon request of the Customer, Bank Islam may extend the duration for the payment of Monthly Rental to a further term on such terms and conditions as determined by Bank Islam.
- 9.4 All payments to be made by the Customer to Bank Islam under the provisions of the LO shall be made without any set-off or counter claim and free and clear of and without deduction or withholding for or on account of any taxes, duties, levies, charges, imposts or any other deduction of whatsoever nature now or hereafter imposed by any competent governmental or other authority in Malaysia. If the Customer is compelled by law to deduct or withhold any such taxes, levies, imposts, duties, charges or fees, the Customer shall pay such additional amounts as may be necessary in order that the next amounts received by Bank Islam after such deductions or withholdings shall equal the amount it would have received had no such deductions or withholdings been required to be made. Notwithstanding the above, Bank Islam will also be entitled to recover from the Customer any tax, including but not limited to Sales and Service Tax, that Bank Islam is required by law to collect.
- 9.5 Bank Islam is entitled to utilise any monies received towards any payment to be appropriated towards fulfilment of the Facility.

10.0 FULL PAYMENT

Notwithstanding anything to the contrary contained herein, it is hereby agreed that on the satisfaction by payment or otherwise of the Indebtedness all the provisions herein contained shall cease to be of any effect but without prejudice to Bank Islam's rights and remedies against the Customer in respect of any antecedent claim or breach.

11.0 EARLY SETTLEMENT

- 11.1 "Early Settlement" refers to a settlement prior to the expiry of the Facility tenure by the Customer including, but is not limited to the following situations:
- Customer who make an early settlement or early redemption, including those arising from prepayments; or
 - Settlement of the Facility Amount due to financing restructuring exercise; or
 - Settlement by Customer in the case of default; or
 - Settlement by Customer in the event of termination or cancellation of Facility before the maturity date.
- 11.2 "Early Settlement Amount" shall mean the Exercise Price as provided for the applicable circumstances under the Purchase Undertaking and the Notice of Sale.

12.0 TA`WIDH (COMPENSATION)

- 12.1 It is hereby agreed that the Customer shall pay Bank Islam the late payment charges by way of Ta`widh as follows:
- Before maturity of the Facility
A sum equivalent to one per centum (1%) per annum on overdue instalment(s) until date of full payment.
 - After maturity of the Facility
A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on outstanding balance.
 - Post Judgment Debt
A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on basic judgment sum calculated from judgment date until date of full payment.
- 12.2 PROVIDED ALWAYS that the above said Ta`widh rates may be varied by Bank Negara Malaysia ("BNM") from time to time and shall be applied in such manner as approved by BNM.

13.0 STATEMENT OF ACCOUNT / NOTICE OF SUM PAYABLE

A statement of account or notice in writing of any sum payable by the Customer issued by or on behalf of Bank Islam shall in the absence of manifest error be conclusive evidence that such amount is in fact due and payable by the Customer including for the purposes of legal proceedings.

14.0 CONDITIONS PRECEDENT

- 14.1 The obligations of Bank Islam hereunder to allow the Customer to utilise the Facility is subject to confirmation by Bank Islam on the fulfilment of the conditions ("Conditions Precedent") referred to the LO. Pending the fulfilment of the Conditions Precedent, Bank Islam may withhold the disbursement of the Facility Amount or any part or parts thereof.
- 14.2 Bank Islam may waive compliance with any of the Conditions Precedent without affecting its rights under this Facility. Such waiver does not prevent Bank Islam from later demanding the Customer to comply with any or all of the waived conditions within any period notified by Bank Islam to the Customer. No waiver of any Conditions Precedent constitutes a waiver of any other Conditions Precedent except to the extent expressly provided in such waiver.

15.0 SECURITY**15.1 THE SECURITY**

For better securing the payment of the Indebtedness or any part thereof as shall be outstanding and all other moneys whatsoever now or hereafter owing to Bank Islam by the Customer, the Customer and/or the Security Party shall provide the Security and execute or procure the execution of the Security Documents by the Security Party. The security will be returned to the customer upon full settlement of the Facility upon non-occurrence of Events of Default.

15.2 COVENANT TO PROVIDE FURTHER SECURITY

The Security created under the Facility and Security Documents shall be a continuing security for the payment of the Total Rental or Exercise Price. If required by Bank Islam, the Customer shall provide further Security or assignment or deposit the documents of title of the Customer's property and/or third party's estates, rights, titles and interests in any property or assets or business (including any vendor's lien) and the benefit of all licences held in connection to secure all Total Rental or Exercise Price.

16.0 MAINTENANCE OF ASSETS

- 16.1 The Customer is obliged to maintain the Assets throughout the Facility/ Ijarah Tenure with effect from the acceptance of this Facility, provided always that the total enjoyment right of the Customer do not impair and/or interfere in with the use of the Assets for the purposes of this Ijarah. In any case, if the Customer wishes to make any additional or other goods, appliance, part, instrument, appurtenance, accessory, replacement or alteration to the Assets, subject to the prior written consent of Bank Islam, such additional or other goods, appliance, part instrument, appurtenance, accessory, replacement or alteration will be acquired, incorporated or installed in, or attached or made to the Assets by the Customer at the Customer's own cost and expenses and such additional or other goods, appliance, part, instrument, appurtenance, accessory, replacement or alteration will, unless otherwise agreed in writing by Bank Islam, without any further act of Bank Islam and the Customer or either of them, become the property of Bank Islam and be considered part of the Assets for all purposes of this Facility.
- 16.2 The Customer shall be responsible in carrying out and performing all maintenance in respect of the Assets on own costs covering the followings:
- i. ensure that certain requirements, regulations and practices are being adhered/ complied by the Customer which shall include but not limited to employing competent person in carrying out the maintenance in respect of the Assets and obtaining all necessary licences from the relevant authorities;
 - ii. pay and discharge all payments in respect of the Assets including but not limited to any and all taxes (if any), quit rents, assessment fees, maintenance fees and/ or sinking funds before they become due or payable and produce on demand receipts thereof;
 - iii. as far as practicable, ensure that accurate and current records are kept of all maintenance activities in respect of the Assets;
 - iv. conduct regular and proper inspection of the Assets and ensure to adopt good maintenance practice as expected from the Customer; and
 - v. keep the Assets at all time in good condition, properly serviced and maintained.

17.0 TAKAFUL/ INSURANCE COVERAGE**17.1 EXTENT OF TAKAFUL/ INSURANCE**

- i. The Customer shall procure and maintain at all time a valid and enforceable comprehensive Takaful/ insurance of the Assets with an insurer/ Takaful provider approved by Bank Islam against:
 - (a) loss, damage or destruction caused by accident, fire and theft;
 - (b) any insurable risks commonly insured/ covered against in regard to assets of a similar nature to the Assets; and
 - (c) such other insurable risks which include specific perils including but not limited to land slide, flood, riot etc. and any other available specific perils for Force Majeure or risk as determined by Bank Islam from time to time. The Assets

shall be insured/ covered for a value acceptable to Bank Islam in the joint names of Bank Islam and the Customer or in the name of the Customer bearing an endorsement of Bank Islam's interest and stating that no payment is to be made to the Customer under the policy until Bank Islam's interest has been discharged. For avoidance of doubt, the Customer shall procure Takaful coverage unless it is not commercially viable or there is no such Takaful coverage available. The Customer shall bear the loss if the Customer does not subscribe to the comprehensive Takaful coverage which includes specific perils as advised by Bank Islam to do so. Failure to abide by the requirements shall trigger an event of default in which Bank Islam has the right to terminate the Facility. Bank Islam shall bear the loss if the Takaful proceeds are not sufficient to cover the Balance Due and/or the Takaful coverage does not cover the Force Majeure.

- ii. Each Takaful/ insurance policy must:
 - (a) note Bank Islam's interest as the owner of the Assets; and
 - (b) provide that the Takaful/ insurance will not be cancelled or any of the terms and conditions be amended without giving Bank Islam at least thirty (30) Business Days prior written notice, or ten (10) Business Days in the event of non-payment of contribution/ premium.

17.2 CASUALTY

- i. Total Loss
The Assets are totally lost, stolen, compulsorily acquired, destroyed, seized, confiscated (each a "Casualty Occurrence") or if the Assets are damaged to an extent which in the relevant insurer/ Takaful provider's opinion renders repair impractical or uneconomical (a "Write-Off"), then:
 - (a) if such Casualty Occurrence or Write-Off is caused by the Customer's misconduct or negligence or breach of this T&C, the Customer shall pay Bank Islam the Balance Due; and
 - (b) if it is proven, to the satisfaction of Bank Islam, that such Casualty Occurrence or Write-Off is not caused by the Customer's misconduct or negligence or breach of this T&C, then the Customer shall assist Bank Islam in claiming the Takaful/ insurance coverage over the Assets and if so not covered by the Takaful/ insurance, then Bank Islam shall waive the future rentals to be determined by Bank Islam. The Customer shall be responsible to pay all due amounts under this Facility.
- ii. Partial Loss
Any part or parts of the Assets suffer a Casualty Occurrence or Write-Off:
 - (a) if such Casualty Occurrence or Write-Off is caused by the Customer's misconduct or negligence or breach of this T&C, the Customer shall pay Bank Islam the Balance Due in regard to that part or parts. Bank Islam will determine (which determination shall be final and be binding upon the Customer) the Balance Due in regard to that part or those parts by reference to the proportion of the value, utility or other relevant measure of the Assets which have suffered the Casualty Occurrence or Write-Off; and
 - (b) if it is proven, to the satisfaction of Bank Islam that such Casualty Occurrence or Write-Off is not caused by the Customer's misconduct or negligence or breach of this T&C, then the Customer shall assist Bank Islam in claiming the Takaful/ insurance coverage over that part of the Assets so affected and if so not covered by the Takaful/ insurance, then Bank Islam shall ensure that the Assets are restored at Bank Islam's own expense.
- iii. Damage
The Assets are damaged but is not a Write-Off but:
 - (a) it is caused by the Customer's misconduct or negligence or breach of this T&C, then the Customer must ensure that the Assets are restored at the Customer's expense; and
 - (b) if it is proven, to the satisfaction of Bank Islam, that such damage is not caused by the Customer's misconduct or negligence or breach of this T&C, then the Customer shall assist Bank Islam in claiming the Takaful/ insurance coverage for the loss (if any) and if so not covered by the Takaful/ insurance, then Bank Islam shall ensure that the Assets are restored at Bank Islam's own expense.
- iv. The Customer shall be liable for loss or damage to the Assets and agree to bear the expenses to restore the Assets if the Customer does not subscribe to the comprehensive Takaful/ insurance coverage under this Section.
- v. Bank Islam shall be under no duty or obligation to examine any certificates or Takaful/ insurance policy, or to advise the Customer in the event that the Takaful/ insurance is not in compliance with this T&C. Failure to recover under any Takaful/ insurance shall not relieve the Customer from any of its duties and obligations under this T&C.

17.3 RECOVERY OF TAKAFUL/ INSURANCE MONIES

Whilst any monies remain owing to Bank Islam under this Facility, Bank Islam will be entitled to receive all monies payable to the Customer by the insurer/ Takaful provider under any relevant Takaful/ insurance policy or by any other person in respect of damage to, or loss of, the Assets. The Customer hereby irrevocably appoints Bank Islam and each and every officer of Bank Islam as the Customer's agent to recover, or compromise in the Customer and Bank Islam's respective names, any claim for loss or damage under any such policy or otherwise, and to give effectual releases and receipts for any claim.

18.0 REPRESENTATIONS AND WARRANTIES

18.3 REPRESENTATIONS AND WARRANTIES OF THE CUSTOMER

The Customer acknowledges that Bank Islam has entered into this T&C, in full reliance on representations by the Customer

in the following terms and the Customer hereby represents and warrants to and undertakes for the benefit of Bank Islam as follows:

- i. Status
The Customer and, where applicable, the Security Party are duly incorporated or registered under the relevant laws of Malaysia.
- ii. Powers and Authorisations
The Memorandum and Articles of Association or such other appropriate constitutional documents of the Customer and the Security Party include provisions which give power and all necessary corporate authority has been obtained and action taken for the Customer and the Security Party to own assets, carry on their businesses and operations as they are now being conducted and execute, deliver and perform their obligations under the Security Documents.
- iii. Validity
That each of the Security Documents constitutes the legal, valid and binding obligations of the Customer and the Security Party in accordance with their respective terms.
- iv. Non-Violation
That the execution, delivery and performance of each of the Security Documents by the Customer and the Security Party do not and shall not violate, contravene or constitute a default under, or cause to be exceed any limitation on the Customer or the Security Party or the powers of its directors imposed by or contained in the provisions of:
 - (a) any law or regulation or any order or decree of any governmental authority, agency or court to be which they are subject;
 - (b) their Memorandum and Articles of Association or such other constitutional documents as appropriate; or
 - (c) any contract of whatever nature, other undertaking, or instrument to which they are a party or which are binding upon them or any of their assets and shall not result in the creation, imposition of, or any obligation to create, or impose, any mortgage, lien, pledge or charge on any of their assets pursuant to the provision of any such contract, or other undertaking, or instrument.
- v. Consents
That no authorisation, approval, consent, licence, exemption, registration, recording, filing or notarisation and no payment of any duty or tax and no other action whatsoever which has not been duly and unconditionally obtained, made or taken is necessary or desirable to ensure the validity, enforceability or priority of the liabilities and obligations of the Customer and the Security Party and the rights of Bank Islam under the Security Documents.
- vi. No Default
That no events and causal factors of default has occurred which may cause an adverse effect on the business, assets or conditions of the Customer and the Security Party that will further affect the Customer and the Security Party's ability to perform their obligations under the Security Documents.
- vii. Connected Parties
That none of the directors, partners, managers, guarantors, agents, shareholders or employees of the Customer (including their spouses, parents, children, siblings and their spouses) are directors, officers of or in any way otherwise connected with Bank Islam within the meaning stipulated under any BNM's regulations.
- viii. Accounts
Where applicable, that the audited financial statements (including the income statement and balance sheet) of the Customer for the relevant years have been prepared on a basis consistently applied in accordance with generally accepted accounting principles in Malaysia and give a true and fair view of the results of its operation for that year and the state of its affairs at that date, and in particular accurately disclose or reserve against all the liabilities of the Customer.
- ix. No Security Interest
That none of the assets of the Customer and the Security Party is affected by any security interest, and the Customer and the Security Party are not a party to, nor are they or any of their assets bound by, any order, agreement or instrument under which the Customer or the Security Party is (or in certain events may be) required to create, assume or permit to exist any Security Interest, other than those Security Interest created pursuant to the Security Documents.
- x. Litigation
That no litigation, arbitration, bankruptcy or administrative proceeding or claim which might by itself or together with any other such proceedings or claims either have a material adverse effect on its business, assets or condition of the Customer and the Security Party or materially or adversely affect its ability to observe or perform their obligations under the Security Documents to which they are a party, has been commenced, is presently in progress or pending or to the best of the knowledge, information and belief of the Customer, threatened against the Customer and the Security Party or any of their assets.
- xi. Winding Up / Dissolution / Deregistration
That no step has been taken or meeting has been convened or any resolution made for the winding up, dissolution, deregistration or the cessation of the business or affairs of the Customer or the Security Party.
- xii. Tax Liabilities
That the Customer and/or the Security Party have filed all tax returns which the Customer and/or the Security Party are required by law to file and not in default and have made adequate provision for the payment of all taxes including but not

limited to Sales and Service Tax, assessments, fees and other governmental charges assessed against each of them or upon any of their respective assets, income or franchise or any of them, and no claim is being asserted with respect to taxes which are not disclosed in the financial statements. Bank Islam will also be entitled to recover from the Customer any tax, including but not limited to Sales and Service Tax, that Bank Islam is required by law to collect.

xiii. Assets

That the Customer and the Security Party are the legal and beneficial owners of assets and have title to all their assets which are provided as security to Bank Islam in respect of the Facility or the subject matter of any of the Security Documents.

xiv. Information

That the information furnished by the Customer and each Security Party in connection with the Facility does not contain any untrue statement or omit to state any fact the omission of which makes any statements made therein in the light of the circumstances under which they are made, misleading and all expressions of expectation, intention, belief and opinion and all projections contained therein were honestly made on reasonable grounds after due and careful inquiry by the Customer.

xv. Change in Customer and Security Party

That Bank Islam is satisfied that as from the date when the Customer first applied for the Facility, there has been no material alterations or changes in the constitution, condition, business, financial and other affairs of the Customer and the Security Party which could or might adversely affect their ability to perform their obligations under the Security Documents to which they are a Party and/or which could or might adversely affect the decision of Bank Islam to proceed with the Facility.

xvi. Change in Law

That no extraordinary circumstances or change of law or other governmental action has occurred which shall make it improbable that the business of the Customer and the Security Party can be carried out or that the Customer and the Security Party will be able to perform their covenants and obligations to be performed under the Security Documents to which they are a party.

xvii. Disclosure

The Customer has fully disclosed in writing to Bank Islam all facts relating to the Customer which the Customer knows or should reasonably know and which are material for disclosure to Bank Islam in the context of the Facility.

xviii. Legal Capacity

The Customer or its Authorised Signatories have full right and authority to accept the Facility and to enter into and bind themselves by this T&C.

xix. Partnership Agreement (if applicable)

The Customer's partnership agreement is legal, valid, binding and enforceable against the parties thereto and is in full force and effect and has not been varied or modified in any way from the form in which it was entered into at the point of application of this Facility, or cancelled and no party has asserted or threatened to assert any right of termination or repudiation thereof.

xx. Other Representations and Warranties

Any of the events as stated in the Security Documents.

18.4 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The above representations and warranties shall survive the signing and delivery of the Security Documents and any utilisation of the Facility and until the full and final settlement of the Facility except that each reference to the financial accounts shall be construed as reference to the then latest available annual accounts of the Customer.

19.0 UNDERTAKINGS

19.3 AFFIRMATIVE UNDERTAKING

The Customer undertakes with Bank Islam that from the date of the Security Documents until all its Total Rental or Exercise Price under this Facility have been discharged:

i. Ranking

It will ensure that its liabilities under the Security Documents to which it is a party rank and will rank (and would rank if the Security Documents to which it is a party were neither executed nor required) at least equally and rateably (pari passu) in point of priority and security with all its other liabilities (both actual and contingent) except:

- (a) liabilities which are subject to liens or rights of set off arising in the normal course of trading and the aggregate amount of which is not material;
- (b) liabilities which are preferred solely by Malaysian Law and not by reason of any Security Interest; and
- (c) any Security Interest created which is disclosed to Bank Islam prior to the date hereof;

ii. Preparation of Account

It will prepare the financial statements on a basis consistently applied in accordance with generally accepted accounting

principles in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Customer for the period in question and the state of its affairs for the period to which the financial statements are made up and shall disclose all the liabilities (actual or contingent) of the Customer.

iii. Information

It will deliver to Bank Islam:

- (a) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial periods) copies of its financial statements for that period which shall contain an income statement and a balance sheet and, where applicable, be audited and certified by a firm of independent accountants;
- (b) half yearly financial statements to be delivered not later than ninety (90) days after the end of each half year which shall contain full particulars of its business for that period and an income statement and a balance sheet; and
- (c) promptly, such additional financial or other information as Bank Islam may from time to time reasonably request.

iv. Consents

It will obtain and promptly renew from time to time, and will promptly deliver to Bank Islam certified copies of any authorisation, approval, consent, licence, exemption, registration, recording, filing or notarisation as may be necessary or desirable to ensure the validity, enforceability or priority of the liabilities and obligation of the Customer or the rights of Bank Islam under the Security Documents and the Customer shall comply with the term of the same.

v. Licences and Conduct of Business

It will obtain all necessary licences and approvals and comply with all regulations relating to the carrying on of its business and will carry on its business with due diligence and efficiency and in accordance with sound financial and business standards and practices and will furnish to Bank Islam all information which Bank Islam may reasonably request in connection with such business.

vi. Default

If it becomes aware of the occurrence of an event of default it will forthwith notify Bank Islam and will provide Bank Islam with full details of any steps which it is taking, or is considering taking, in order to remedy or mitigate the effect of the event of default or otherwise in connection with it.

vii. Access

It will at all times permit Bank Islam to have access to its books of account and records relating to its business.

viii. Takaful / Insurance Coverage

It will maintain or cause to maintain such Takaful/ insurance in respect of its assets and business against all risks (including third party risks and workmen's compensation) which a prudent entity carrying on a business similar to that of the Customer would normally insure and all such Takaful/ insurance shall be in such amounts, on such terms and with such insurers as may be approved by Bank Islam and will not do or omit to do or suffer anything to be done which might render any such Takaful/ insurance policies to be void or voidable. For avoidance of doubt the Customer shall procure Takaful coverage unless it is not commercially viable or there is no such Takaful coverage available.

ix. Auditors

It will appoint from time to time such auditor or firm of auditors acceptable to Bank Islam and authorise such auditor or firm of auditors to supply Bank Islam with a certified copy of any communication sent by such auditor to the Customer and further to communicate directly with Bank Islam at any time in respect of any matter connected with the accounts and operation of the Customer.

x. Adverse Changes

It will promptly notify Bank Islam of:

- (a) any material event or adverse change in the condition (financial or otherwise) of the Customer or any Security Party;
- (b) any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Customer or any Security Party before any court tribunal or administrative agency which may materially affect the operations and/or financial condition of the Customer or the Security Party;
- (c) any dispute between the Customer or any Security Party and any government or statutory body in respect of any of their assets; and
- (d) any labour controversy which might result in a strike against the Customer;

all such notification to be given to Bank Islam not later than fourteen (14) days after the Customer has knowledge of the change or of the litigation or other proceedings or threat thereof or dispute and the amount of any contingent liability if such amount is ascertainable.

xi. Substantial Acquisition

It will inform Bank Islam in the event of any acquisition of assets of a substantial amount.

xii. Annual Return

Where the Customer is a company, it will submit to Bank Islam a certified true copy of its annual return and return of allotment of shares as submitted to the Companies Commission of Malaysia.

xiii. Authorised Signatories

It will forthwith notify Bank Islam in the event of any of its Authorised Signatories is no longer authorised to sign any documents or to otherwise act on the Customer's behalf hereunder.

- xiv. Change in Residential Status
It will promptly notify Bank Islam in the event of any change in its residential status of any Security Party.
- xv. Operation of Accounts
It will ensure that the operation of the current account or any other accounts of the Customer with Bank Islam is active and satisfactory and the approved limit of the Facility observed at all times.
- xvi. Subordination of Facilities from Directors, Shareholders or Related Corporations
Where the Customer is a company, it will procure and ensure that all present and future facilities granted to it by any of its directors, shareholders or related corporations will be subordinated to the Total Rental or Exercise Price.
- xvii. Payment of Quit Rent and Other Rates
Where applicable, it will punctually pay all quit rents, assessments, rates, taxes and all other outgoings payable from time to time in connection with or arising out of its properties and forward copies of all receipts in respect of such payments to Bank Islam.
- xviii. Partnership (if applicable)
 - (a) Notify Bank Islam in writing, which notice shall be signed by all the partners of the time being of the Partnership, if any of the partners of the Partnership retires or ceases to be a partner of the Partnership, and such notice shall be delivered to the Bank within seven (7) days from such changes.
 - (b) Notify Bank Islam in writing, which notice shall be signed by all the partners of the time being of the Partnership upon the admission of any new partner into the Partnership, and such notice shall be delivered to the Bank within seven (7) days.
 - (c) Procure all new partners to the Partnership to execute and deliver a letter (in the form and content acceptable to Bank Islam), undertaking to be liable for all the obligations and liabilities of the Customer and under the Security Documents.
 - (d) Deliver to Bank Islam all supplementals and modifications of the Partnership Agreement within seven (7) days of the execution of such supplementals and modifications.
 - (e) Deliver to Bank Islam within one hundred and eighty (180) days from the end of each of the Partnership's financial year, copies of the Partnership's balance sheet, profit and loss account and report, audited and duly certified by a qualified independent auditor.
 - (f) Deliver to Bank Islam within ninety (90) days from the end of each half year of each of the Partnership's financial year, copies of the Partnership's management accounts duly certified by a responsible officer and in a format acceptable to Bank Islam.
- xix. Payment of All the Sums Due and Payable
Pay all sums due and payable under the Facility the manner herein specified and to perform all its other obligations and undertakings herein contained.
- xx. Other Affirmative Undertakings
Any of the events as stated in the Security Documents.

19.4 **NEGATIVE UNDERTAKINGS**

The Customer hereby further covenants and undertakes that from the date of the Security Documents, it will not without the prior written consent of Bank Islam first had and obtained:

- i. Negative Pledge
Create or permit to exist over all or any part of its business or assets any Security interest.
- ii. Facilities
Where the Customer is a company, make any facilities or advance or guarantee or grant any credit to any of its directors, shareholders or related corporations or any person or purchase or otherwise acquire the capital stock, assets or obligation of any of its directors, shareholders or related corporations or any other person save and except in the ordinary course of business and on commercial terms and on the basis of arm's length transaction.
- iii. Share Capital
Where the Customer is a company, reduce or in any way whatsoever alter (other than by way of an increase), its authorised and/or issued shares in existence at the date hereof whether by varying the amount, structure or value thereof or the rights attached thereto or connected to any of its share capital into stock or by consolidating, dividing or subdividing all or any of its shares.
- iv. Constitutional Documents
Add, delete, vary or amend its Memorandum and/or Articles of Association or such other appropriate constitutional documents or change its financial year or the nature of its present business.
- v. Incur Liability
Incur, assume, guarantee or permit to exist or guarantee any Indebtedness for borrowed monies other than:
 - (a) the Total Rental or Exercise Price;
 - (b) any debt or guarantee which has been disclosed by the Customer to Bank Islam prior to the date of the Security Documents; and
 - (c) short term debts incurred or obtained in the ordinary course of business on commercial terms and on arm's length

basis transaction.

For the purpose of this paragraph, a short-term debt is deemed to be any debt payable on demand or maturity by its terms within twelve (12) months after the date on which it was originally incurred.

- vi. Dividends
Where the Customer is a private company, declare or pay any dividend or bonus issue or make any distribution (be it income or capital in nature);
- vii. Prepayment and Payment of Advances by Shareholders etc.
Where the Customer is a company, make any prepayment or payment of any advance made by its shareholders, directors or related corporations or any other facilities or Indebtedness if there are any monies outstanding under the Facility which are due and unpaid.
- viii. Change in Shareholdings and/or Management
Where the Customer is a private company, allow any change in its existing shareholders or their respective shareholdings and/or its directors and/or its management line-up.
- ix. Enter Partnership
Enter into any partnership, profit-sharing or royalty agreement of whatsoever nature whereby the Customer's income or profits are, or might be, shared with any other person or enter into any agreement contract or other arrangements of whatsoever nature whereby the Customer's business or operations are managed by any other person.
- x. Disposal
Sell transfer encumber or otherwise dispose of or in any case cease to exercise control over, whether by single transaction or a number of transactions, whether related or not, the whole or part of the Customer's undertakings business or assets or undertake any merger consolidation or reorganisation save and except in the ordinary course of business and on ordinary commercial terms on the basis of arm's length transaction.
- xi. Restriction on Transactions
Enter into any transaction with person except in the ordinary course of business on ordinary commercial terms and on arm's length basis arrangements, or establish any exclusive purchasing or sales agency, or enter into any transaction whereby the Customer might pay more than the ordinary commercial price for any purchase or might receive less than the full commercial price for its products.
- xii. Indebtedness by Others
Where the Customer is a company, enter into any transaction or arrangement whereby any related or associated company of the Customer or any director or shareholders of the Customer (including their spouses, parents, children, siblings and their spouses) incurs in its favour any Indebtedness.
- xiii. Alteration
Make any alteration to the general purpose stated in its application for the Facility.
- xiv. Invest Acquire Shares or Debentures
Invest, acquire shares or debentures in or with or lend money to or make any facilities whatsoever to any person.
- xv. Change in Nature of Business
Change the nature of its present business or sell, transfer or otherwise dispose of, or in any way cease to exercise control over, whether by single transaction or a number of transactions, related or not, the whole or part (being the aggregate a substantial part in the relation to the Customer) of its undertaking, business or assets, or undertake or permit any merger consolidation or reorganisation.
- xvi. Other Negative Undertakings
Any of the events as stated in the Security Documents.

20.0 EVENTS OF DEFAULT

The Customer is treated to have committed a default if the Customer commits or threatens to commit a breach of any of the covenants, undertaking, stipulations, terms, conditions, or provisions herein stipulated and without prejudice to the generality of the foregoing, upon the happening of any one or more of the following events, if:

- i. Non-payment
The Customer or any Security Party fails to pay any amount due under any Security Documents on the due date or on demand, if so payable.
- ii. Breach of Obligations
The Customer or the Security Party fails to observe or perform any of their respective obligation under any Security Documents or under any undertaking or arrangement entered into in connection with the Facility, and in the case of a failure capable of being remedied, Bank Islam does not determine, within (7) days after the Customer became aware of the failure, that it has been remedied to Bank Islam's satisfaction.

iii. Misrepresentation

Any representation, warranty or statement which is made (or acknowledged to have been made) by the Customer or the Security Party in any Security Documents or which is contained in any certificate, statement, legal opinion or notice provided under or in connection herewith or therewith prove to be incorrect in any material respect, or if repeated at any time with reference to the facts and circumstances subsisting at such time will not be accurate in all material respects.

iv. Disposal of Assets

The Customer or the Security Party or any of their subsidiaries transfers or disposes of or threatens to transfer or dispose of a substantial part of its business or assets without the prior written consent of Bank Islam.

v. Cessation of Business

The Customer or the Security Party or any of their subsidiaries changes or threatens to change the nature or scope of its business, suspends or threatens to suspend a substantial part of the present business operations which it now conducts directly or indirectly, or any governmental authority expropriates or threatens to expropriate all or part of its assets and the result of any of the foregoing is, in the determination of Bank Islam, adversely to affect the financial condition or the ability of the Customer or the Security Party to observe or perform their respective obligations under any Security Documents.

vi. Cross Default

Any Indebtedness of the Customer or the Security Party or any of their subsidiaries with Bank Islam or any other banks becomes due or capable of being declared due before its stated maturity, any guarantee of the Customer or the Security Party or any of their subsidiaries is not discharged at maturity or when called or the Customer or the Security Party or any of their subsidiaries goes into default under, or commits a breach of, any instrument or agreement relating to any such Indebtedness or guarantee.

vii. Appointment of Receiver, Legal Process

Any encumbrances takes possession of, or a trustee or administrator or receiver or similar officer is appointed in respect of all or any part of the business or assets of the Customer or the Security Party or any of their subsidiaries or distress or any form of execution is levied or enforced upon or sued out against any such assets and is not discharged within seven (7) days after being levied, enforced or sued out, or any Security interest which may for the time being affects any of its assets becomes enforceable.

viii. Legal Proceedings

Any legal proceeding, suits, actions litigation, arbitration or administrative proceeding is commenced or threatened against the Customer or the Security Party or any of their subsidiaries and which, in the opinion of Bank Islam, will affect the Customer's or the Security Party's ability to observe or perform its obligations under the Security Documents to which it is a party.

ix. Insolvency

The Customer or the Security Party or any of their subsidiaries is deemed unable to pay its debts within the meaning of Section 466(1) of the Companies Act 2016 or becomes unable to pay its debts as they fall due or suspends or threatens to suspend making payments with respect to all or any, class of its debt.

x. Composition, Winding Up

The Customer or the Security Party or any of the subsidiaries convenes a meeting of its creditors or proposes or makes any arrangement or composition with, or any assignment for the benefit of, its creditors or a petition is presented or a meeting is convened for the purpose of considering a resolution or other steps are taken for making an administration order against or for winding up, of the Customer or the Security Party or any of their subsidiaries (other than for the purposes of and followed by a reconstruction previously approved in writing by Bank Islam, unless during or following such reconstruction the Customer or the Security Party or the relevant subsidiary (as the case maybe) becomes or is declared to be insolvent).

xi. Judgment Outstanding

The Customer or the Security Party or any of their subsidiaries shall fail to satisfy any judgment passed against any of them by any court or any competent jurisdiction and no appeal against such judgement has been made to any appropriate appellate court within the time prescribed by law or such appeal has been dismissed and in the case of any judgment obtained in default of appearance no application has been made to set such judgment aside within thirty (30) days of the date the Party against whom judgment was obtained becoming aware of the judgment.

xii. Change in Law

Any law is brought into effect which purports to render ineffective or invalid any provision of any of the Security Documents or which would prevent the Customer or the Security Party from performing any of their respective obligations under the Security Documents.

xiii. Licence

Any licence, authorisation, approval, consent, order, exemption, registration, filing or notarisation referred to herein is revoked or withheld or modified or is otherwise not granted or fails to remain in full force and effect.

xiv. Nationalisation

All or a material part of the assets of the Customer or of any subsidiary of the Customer shall be condemned, seized or otherwise appropriated or nationalised and such situation shall remain unremedied for more than sixty (60) days, or custody or control of such assets shall be assumed and retained for more than sixty (60) days by any person acting or purporting to act under the authority of the government, or the Customer or any subsidiary of the Customer shall have been prevented for a period of more than sixty (60) days from exercising normal managerial control over all or any substantial parts of its or their assets by any such person.

xv. Moratorium

The Customer or the Security Party enters into or proposes to enter into or there is declared by any competent court or authority, a moratorium on the payment of Indebtedness or other suspension of payments generally.

xvi. Suspension of Payments

The Customer or the Security Party or any of their subsidiaries, suspends or threatens to suspend from making payments with respect to any class of its debts and the result of any of the foregoing, in the view of Bank Islam adversely affect the financial condition and ability of the Customer and the Security Party's ability to perform their obligations under the Security Documents.

xvii. Invalidity

Any provision of the Security Documents is or becomes, for any reason, invalid or unenforceable.

xviii. Security in Jeopardy

Bank Islam shall be of the opinion that any of the securities created pursuant to the Security Documents is in jeopardy.

xix. Adverse Event

Any other event or series of events whether related or not has or have occurred which in the opinion of Bank Islam (which opinion shall be final and binding upon the Customer) could or might affect or prejudice the ability or willingness of the Customer or of any Security Party to comply with all or any of its respective obligations hereunder or under any of the Security Documents.

xx. Customer Dies or Becomes Insane (for Sole Proprietor and Partnership)

The Customer or the Security Party (if a natural person) dies or becomes insane.

xxi. Non-Registration of Security Document

Any of the Security Document is not registered by the relevant registering authority or is otherwise not perfected or effected or withdrawn/terminated upon such registration for any reason whatsoever.

xxii. Encumbrances Over the Secured Asset Become Enforceable

Any encumbrance over any assets of any Security Party is or becomes enforceable.

xxiii. Valuation Over the Secured Asset

The Bank shall be of the opinion (which shall be final and binding upon the Security Party) that the value of the secured asset in relation to the Facility shall be insufficient to secure the payment of the Indebtedness.

xxiv. Failure to Regularize Account

Any Security Party fails to regularize any account or facility which it/they may have with Bank Islam, in accordance with the requirements of Bank Islam.

xxv. Improper Operation of Account

Any facility or account of the Security Party under the Facility is deemed by Bank Islam as being not conducted or operated to the satisfaction of Bank Islam or as being inactive.

xxvi. Use of Asset

The Asset is utilised for Shariah non-compliant activities.

xxvii. Other Events of Default

Any of the events as stated in the Security Documents.

21.0 RIGHTS OF BANK ISLAM ON DEFAULT

21.3 ENFORCEMENT

Upon the occurrence of any Events of Default, Bank Islam shall have the right to exercise all or any remedies available whether by the Security Documents or by statute or otherwise and shall be entitled to exercise such remedies concurrently to recover all monies due and owing to Bank Islam.

21.4 RIGHT TO RECALL

The Facility shall be subject to Bank Islam's right to recall on demand and be reviewed from time to time by Bank Islam pursuant Events of Default and nothing herein contained shall be deemed to render it obligatory upon Bank Islam either at law or in equity to make any advances or to afford any other accommodation or facility whatsoever to the Customer and Bank Islam shall have the right to withdraw the Facility in accordance to the Terms and Conditions and/or Shariah principles.

21.5 DISTRIBUTION OF PROCEEDS

All monies and assets held or received by Bank Islam upon enforcement of Security Documents shall (subject to the payment of debts which by law have priority) be applied: (a) Firstly: in payment of all costs, charges, expenses and liabilities incurred by Bank Islam and every receiver, attorney, agent, delegate or other persons appointed by Bank Islam under the Security Documents in recovering or taking any action to recover the Indebtedness; (b) Secondly: in or towards payment of the Indebtedness owing and payable to Bank Islam under the Security Documents; (c) Thirdly: the surplus (if any) shall be paid to the Customer or any other person legally entitled to the surplus.

21.6 DEFICIENCY IN PROCEEDS OF SALE

If the amount realised by Bank Islam pursuant to the Security Documents after deducting any payment from the amount so realised of all fees dues costs rates taxes and other outgoings arising out of or occasioned by such realisation is less than the amount due to Bank Islam, the Customer shall pay to Bank Islam on demand the difference between the amount due and the amount so realised.

21.7 SERVICE OF LEGAL PROCESS AND NOTICES

- i. Any demand notice request or legal process required or permitted to be given or made under this Agreement to Bank Islam or to the Customer shall be in writing and in the case of Bank Islam shall be under the hand of any Manager or any authorised officer of Bank Islam or a solicitor or firm of solicitors purporting to act for Bank Islam.
- ii. Any such demand notice request or legal process shall be deemed to have been sufficiently given or made if sent by ordinary or registered post sent to the respective address for service of the parties hereto and shall be deemed to have been served on and duly received by the other party or parties after the expiration of five (5) days from the date it is posted or if delivered by hand to the party to be served on its or its solicitors, on the day it was delivered.
- iii. No change in the address for service of the Customer howsoever brought about shall be effective or binding on Bank Islam unless the Customer has given to Bank Islam actual notice of the change of address for service and nothing done in reliance on this provision shall be affected or prejudiced by any subsequent change in the address for service of the Customer over which Bank Islam has no actual knowledge of at the time the act or thing was done or carried out.

22.0 MISCELLANEOUS PROVISIONS**22.3 WITHHOLDING**

All payments by the Customer under this Facility shall be made in full without any deduction or withholding (whether in respect of set off, counterclaim, duties, taxes, charges or otherwise whatsoever) unless the deduction or withholding is required by law, in which event the Customer shall:

- i. ensure that the deduction or withholding does not exceed the minimum amount legally required;
- ii. forthwith pay to Bank Islam such additional amount so that the net amount received by Bank Islam will equal the full amount which would have been received by it had no such deduction or withholding been made;
- iii. pay to the relevant taxation or other authorities within the period for payment permitted by applicable law the full amount of the deduction or withholding (including, but without prejudice to the generality of the foregoing, the full amount of any deduction or withholding from any additional amount paid pursuant to this Clause); and
- iv. furnish to Bank Islam, within the period for payment permitted by the applicable law, either:
 - (a) an official receipt of the relevant taxation authorities in respect of all amounts so deducted or withheld as aforesaid; or
 - (b) if such receipts are not issued by the relevant taxation authorities on payments to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding.

22.4 MODIFICATION AND INDULGENCE

Bank Islam may at any time and without in any way affecting the security hereby created:

- i. determine, vary, modify, restructure, reduce or increase the Facility and/or any credit or other facilities granted to the Customer and may open and/or continue any account or accounts current or otherwise with the Customer at any branch or branches of Bank Islam;
- ii. grant to the Customer or any other surety or guarantor or other person at any time or indulgence;
- iii. renew any bill, notes or other negotiable securities;
- iv. deal with, exchange, release or modify or abstain from perfecting, or enforcing any securities or other guarantees or rights it may now or at any time hereafter or from time to time have from or against the Customer or any other surety or guarantor or other person; and
- v. enter into any deed of composition with the Customer or any other surety or any guarantor or other person.

22.5 RIGHTS CUMULATIVE, WAIVERS

The rights of the of Bank Islam under this Facility are cumulative, may be exercised as often as Bank Islam considers appropriate and are in addition to Bank Islam's rights under any applicable law. The rights of Bank Islam in relation to the Facility (whether arising under the Security Documents or under any applicable law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing, and in particular any failure to exercise or any delay in

exercising any of such rights shall not operate as a waiver or variation of that or any other such right, any defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right, and no act or course of conduct or negotiation on Bank Islam's part or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

22.6 INVALIDITY OF ANY PROVISION

Any term, condition, stipulation, provision, covenant or undertaking contained herein which is illegal, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, prohibition or unenforceability without invalidating the remaining provisions hereof and any such illegality, prohibition or unenforceability in any jurisdiction shall not invalidate or render illegal, void or unenforceable any such term, condition, stipulation or undertaking in any other jurisdiction.

22.7 VARIATION OF TERMS

Bank Islam shall be entitled to vary or amend clauses of the terms and/or conditions of these Terms and Conditions subject to the Shariah requirements by giving 21 days' notice in writing to the Customer and such amendments and variations shall have similar effect as those hereinbefore referred to in this T&C and nothing herein shall be construed so as to restrict or curtail or prejudice any of the rights of Bank Islam herein to vary or amend the terms and/or conditions without the necessity to obtain the Customer's consent or confirmation.

22.8 RECONSTRUCTION OF BANK ISLAM, THE CUSTOMER OR THE SECURITY PARTY

The security, liabilities and obligations created under the Security Documents shall continue to be valid and binding for all purposes whatsoever notwithstanding any change by amalgamation, reconstruction or otherwise which may be made in constitution of Bank Islam, the Customer and the Security Party, and it is expressly declared that no change in any manner or of any sort whatsoever in relation to or affecting the Customer and the Security Party shall in any way affect the security liabilities and obligations created hereunder in relation to any transaction whatsoever whether past, present or future.

22.9 ANTI-MONEY LAUNDERING AND COUNTER FINANCING OF TERRORISM

In order to comply with local or foreign law, regulations, voluntary codes, directives, judgments or court orders and any authorities, regulators or enforcement agencies, policies, good practice, government sanctions or embargoes, reporting requirements under financial transactions legislation and demands or requests of any authority, regulator, tribunal, enforcement agencies, exchange bodies, Bank Islam may:

- i. be prohibited from entering or concluding transactions involving certain persons or entities (e.g. person or entity that is itself sanctioned or is connected to or dealing with (directly or indirectly) any person or entity that is sanctioned under economic and trade sanctions imposed by any regulator in any jurisdiction).
- ii. report suspicious transactions or potential breaches of sanctions to an authority in any jurisdiction to which Bank Islam may need or decide to disclose. These may include but not limited to:
 - (a) transactions which involve the provision of finance to any person involved or suspected of involvement in terrorism or any terrorist act; or
 - (b) transactions under investigation of an actual or attempted evasion of tax, investigation of or prosecution of a person for an offence against any applicable law; or
 - (c) transactions which involve persons or entities which may be the subject of sanctions.
- iii. intercept and investigate any payment messages and other full information or communications sent to or by the customer or on behalf of the customer and may delay, block or refuse to make any payment and payment screening may cause a delay in processing certain information.
- iv. take any action it believes to be necessary, which includes freezing of funds, preventing operation of an account, refusing a request for funds from the customer, not allowing customer to use a product, or delaying or cancelling a transaction. Bank Islam need not notify the customer until a reasonable time after it is permitted to do so under those law or policies. Bank Islam will not be liable for any loss arising out of any action taken or any delay or failure by Bank Islam, in performing any of its duties or other obligations, caused in whole or in part by any steps taken as set out above.
- v. not accept any deposit of any money or cheques and/ or allow or carry out any other transaction including withdrawals of money in respect of customer's account including but not limited to any transfers and telegraphic transfer of moneys from or to customer's account if Bank Islam has a reason to believe or is made aware of by third parties or relevant authorities that the customer's account is being used for or implicated in fraud, potential fraud, financial crimes, illegal activities, soliciting illegal financial investment schemes, money laundering or terrorism financing activities. Bank Islam too shall (subject to the extent permitted by law), reserve the right to close, freeze or otherwise deal with the customer's account as necessary.

22.10 DISCLOSURE OF INFORMATION

- i. The customer hereby expressly consents and/ or authorise Bank Islam to disclose any information of the customer which includes but not limited to personal data or information relating to the account, affairs or conduct of the account and/ or banking facilities to the parties listed below (the "Authorized Parties"):

- (a) any officer, employee, agent or director of Bank Islam Group which includes the holding company(s) of Bank Islam, its subsidiaries, associated companies, affiliates, representatives and branch offices;
 - (b) relevant third parties such as professional advisers, strategic business partners and alliances, service providers, insurers/ Takaful operators or insurance/ Takaful brokers, outsourced agents, merchants, vendors, business partners and business agents who supports the operational activities of Bank Islam and whom are under legal obligation to the confidentiality of customer's information;
 - (c) any actual or potential participants or assignee, novatee or transferee of Bank Islam's rights and/ or obligations under any transaction between Bank Islam and the customer hirer (or any agents or professional advisers);
 - (d) any rating agency or direct/ indirect provider of credit protection to Bank Islam;
 - (e) any party as required by any law or any government, quasi-government, administrative, regulatory/ supervisory body or authority, court or tribunal;
 - (f) any credit reference agency that Bank Islam uses for credit assessment or credit review of customer and parties related to the facilities provided by Bank Islam to customer;
 - (g) any financial crime references agencies, other financial institution and any of their respective agents; and
 - (h) any security party, guarantor or collateral provider for customer's facilities.
- ii. Customer hereby expressly consents to such disclosure pursuant to the relevant provisions under the Islamic Financial Services Act 2013 (IFSA 2013) and further confirms and declares that the terms contained herein shall be in addition to and to be read together with the Privacy Statement/ Privacy Notice in connection with the Personal Data Protection Act 2010 signed with Bank Islam (which includes any changes made by Bank Islam from time to time). In the event of any inconsistency between the terms contained herein with the terms as set out in the Privacy Statement/ Privacy Notice, the terms and conditions in the Privacy Statement/ Privacy Notice shall prevail.

22.11 RIGHT TO OUTSOURCE DEBT COLLECTION FUNCTION AND SELL FINANCING ASSET

The Customer hereby agrees that Bank Islam shall have the right to outsource its debt collection function or sell or transfer its financing assets, including non-performing and impaired financing to any agencies, companies, licensed financial institutions or third party approved by the relevant authorities with sufficient notice to the Customer.

22.12 RIGHT TO DEBIT ACCOUNT

The Customer agrees that Bank Islam, by giving sufficient notice shall have the right to debit the Customer's current or any other accounts maintained with Bank Islam (including to liquidate account which give effects to premature redemption) for payment of any profit and/ or principal due and payable to Bank Islam, Takaful contribution, fees, charges and any other monies due and payable under the Facility, as stated in any terms and conditions, product disclosure sheets, Bank Islam's corporate website and/or other means as communicated by Bank Islam from time to time.

22.13 INDEMNITY

In the event the Customer breach any of the provision of this T&C and/or the Security Documents, or commit any acts that may cause actions, proceedings, claims, demand and incurred any losses, damages, penalties and expenses to Bank Islam, the Customer shall at all times keep Bank Islam save, harmless and indemnified against all actions, proceedings, claims, demand, losses, damages, penalties and expenses (including legal costs and expenses incurred on a solicitor and client basis) except where such actions, proceedings, claims, demand, losses, damages, penalties and expenses were directly attributable to Bank Islam's gross negligence, wilful default or fraud.

22.14 GOVERNING LAW

This Facility shall be governed by, and construed interpreted and applied in accordance with the laws of Malaysia provided always that in the event there is a conflict between the laws of Malaysia and the Shariah rules and principles, the Shariah rules and principles shall prevail.

22.15 CHANGES IN REGULATIONS

Notwithstanding any provision to the contrary herein, in the event that by reason of the enactment of or making of or any change in any applicable law, regulation or regulatory requirement or in the interpretation or application thereof or the making of any requirement or direction from or requirement of BNM or other fiscal or monetary authority (whether or not having the force of law), Bank Islam shall be of the opinion that it was or will become unlawful or it is otherwise prohibited or prevented for it to maintain or give effect to all or any of its obligations as contemplated by this T&C and the Security Documents then, notwithstanding any other provisions herein, Bank Islam's obligation to disburse the Facility shall forthwith be terminated and the Customer shall on demand forthwith pay all monies payable under the Security Documents to Bank Islam.

22.16 COST AND EXPENSES**i. Expenses**

The Customer shall on demand pay to Bank Islam:

- (a) all expenses (including legal fees on a solicitor and client basis, printing, publicity and out-of-pocket expenses) incurred in connection with the negotiation, preparation or completion of the Security Documents;
- (b) all expenses (including legal fees on a solicitor and client basis, and out-of-pocket expenses) incurred in connection with any variation, consent or approval relating to the Security Documents or any related documents or in connection with the preservation or enforcement or attempted preservation or enforcement of any of their rights under the Security Documents or any related documents; and
- (c) all charges properly and reasonably incurred in relation to disbursement and/or operations of the Facility.

ii. Stamp Duty

The Customer shall pay all stamp, documentary and other duties to which the Security Documents may be subject or give rise and shall fully indemnify Bank Islam from and against any losses or liabilities which Bank Islam may incur as a result of any delay or omission by the Customer to pay any such duties or taxes. Where Bank Islam has agreed to provide to the Customer an additional limit to the Facility, this T&C or the LO or its supplementary document shall be up stamped with ad valorem stamp duty to cover the excess, and the Customer shall bear the cost of any additional stamp duty as a result.

22.17 TRANSFER BENEFIT

The Customer may not assign any of its obligations or benefits under the Security Documents. Bank Islam may transfer and/or assign the rights, benefits, interest and/or obligations under the Security Documents to any person by notice to the Customer and/ or the Security Party, and:

- i. the Customer shall execute such documents as are necessary to give effect to the transfer and/or assignment; and
- ii. all costs and/or expenses relating to this transfer and/or assignment shall be paid by the Customer, The Customer may not transfer and/or assign the rights, benefit, obligations and/or interest of the Security Documents unless with the written consent of Bank Islam.

22.18 SUCCESSORS BOUND

This T&C and the Security Documents shall be binding upon the permitted assign and successors-in-title of the Customer and the successor in title and assigns of Bank Islam.

22.19 EFFECTIVE DATE

This T&C shall take effect and binds the parties on the same date of acceptance of the Facility via LO or any other form as agreed between the Customer and Bank Islam.

22.20 TIME OF ESSENCE

Time shall be of the essence of this T&C and other Security Documents.