

KFH SUKUK MURABAHAH TRANSACTION TERMS & CONDITIONS

By agreeing to become our customer under this arrangement, you hereby confirm your agreement to enter into a **KFH Sukuk Murabahah Transaction (“Sukuk Transaction”)** with us, Kuwait Finance House (Malaysia) Berhad (672174-T) (“KFH Malaysia”) based upon and subject to the following terms and conditions:-

You agree to appoint us, KFH Malaysia as your Wakeel:

1. To purchase Murabahah Sukuk, upon the terms and subject to the conditions stipulated in Parts A and B herein; and/or
2. To sell Murabahah Sukuk, upon the terms and subject to the conditions stipulated in Parts C and D herein.

The remaining parts of this document apply to both situations or purchase and sale of Murabahah Sukuk.

A. APPOINTMENT OF KFH MALAYSIA AS WAKEEL TO PURCHASE MERCHANDISE FOR THE NET PROCEEDS

1. KFH Malaysia is hereby appointed as your Wakeel under a Wakalah arrangement to purchase from time to time, Merchandise on your behalf for the Net Proceeds which you will reimburse KFH Malaysia on Settlement Date.
2. In this regard, KFH Malaysia is also authorized to act from time to time as your Wakeel to apply monies standing in your account with KFH Malaysia pursuant to any Deposit Programme which you may have with KFH Malaysia from time to time to settle the said Net Proceeds due from us on Settlement Date.
3. The Wakalah arrangement in this Part A shall be deemed to have been completed upon full payment of the Net Proceeds on Settlement Date.

B. APPOINTMENT OF KFH MALAYSIA AS WAKEEL TO SELL MERCHANDISE FOR SUKUK MURABAHAH

1. Immediately upon completion of purchase of the Merchandise referred to in Part A above, you authorize KFH Malaysia to act as your Wakeel to sell the Merchandise to our own selves which purchase shall be satisfied with Sukuk Murabahah of the requisite value on Settlement Date.
2. The Wakalah arrangement in this Part B shall be deemed to have been completed upon completion of the transfer of sukuk to your name in consideration of the sale and purchase of the Merchandise.

C. APPOINTMENT OF KFH MALAYSIA AS WAKEEL TO SELL SUKUK MURABAHAH FOR THE MERCHANDISE

1. Further and in addition to the appointments as set out in Parts A and B above, you also hereby appoint KFH Malaysia as your Wakeel to sell such Sukuk Murabahah owned by you, which sale shall be satisfied by such quantity of Merchandise that is equal to the Net Proceeds on Settlement Date.
2. The Wakalah arrangement in this Part C shall be deemed to have been completed upon registration of the Merchandise received in consideration of the sale of your Sukuk Murabahah in your own name.

D. APPOINTMENT OF KFH MALAYSIA AS WAKEEL TO SELL THE MERCHANDISE ON YOUR BEHALF

1. Immediately upon completion of the Sukuk sale, referred to in Part C above, you authorize us, KFH Malaysia to act as your Wakeel to sell the Merchandise to any third party that we may select in consideration for the Net Proceeds on Settlement Date.
2. The Wakalah arrangement in this Part D shall be deemed to have been completed upon the full payment of Net Proceeds on Settlement Date.

E. TERMINATION

1. Subject to the relevant prevailing rules, laws and guidelines, either party may opt to terminate the agencies created herein prior to the agent commencing the work by giving a proper notice of at least one (1) business day (i.e. a day when Islamic banks are open for business in Kuala Lumpur).
2. In the event that you discontinue the agency after KFH Malaysia or its agent has commenced work, you acknowledge and agree that KFH Malaysia shall be entitled to claim compensation against any losses incurred for conducting the work on a full reimbursement basis that you had authorized you to conduct by deducting such amounts from your account with KFH Malaysia.

F. INDEMNITY

1. You hereby indemnify KFH Malaysia, our employees, servants, agents and appointed representatives against all losses, claims, actions, proceedings, damage, costs and expenses whatsoever brought or claimed by any party and/or

incurred or sustained as a result of any transactions entered herein. The indemnity shall survive termination of these arrangements and any sums payable thereto shall not be subject to any deduction whether by way of set-off, counterclaim or otherwise.

For each sale and purchase contemplated herein, you agree that you shall lafaz and complete of the applicable aqad as stated in the **Appendix 1** either orally or in writing. We shall determine the price of the sukuk by the sale of an agreed Nominal Value (“Sukuk Nominal Value”) of sukuk from a sukuk seller to a sukuk buyer

In this document:

- a. **Merchandise** means palm oil products, oleo chemical products, rubber products, cocoa products, soya products in the local/international markets and such other goods and services as determined by the Shariah Committee of KFH Malaysia;
- b. **Net Proceeds** means the purchase price which you are bound to pay in consideration of purchasing the Merchandise or Sukuk Murabahah (as the case may be);
- c. **Settlement Date** means a date determined by KFH Malaysia as the due date for full settlement of the Merchandise or Sukuk Murabahah (as the case may be) purchased on your behalf.
- d. **Trade Date** means a date for which the Sukuk Murabahah is purchased or sold as stated in sections **A** and **B** above.
- e. In settling any amounts due from you pursuant to these arrangements, you hereby authorize KFH Malaysia to use the funds standing in your account(s) with KFH Malaysia under a Deposit Programme(s), subject always to the terms and conditions of the relevant Deposit Programme as set out under the Wakalah Agreement and Terms and Conditions of the KFH INTERNATIONAL COMMODITY MURABAHAH DEPOSIT- set out in **Appendices 2 and 3** respectively. For the avoidance of doubt, in the event that there exists any term or condition in the Deposit Programme which operates to prevent the utilization of funds towards the purpose(s) stated herein, such term or condition is hereby expressly waived.
- f. In acting as your Wakeel herein, KFH Malaysia is hereby authorized, at its sole and absolute discretion:
 - i. to buy and sell the Merchandise through a broker or brokers which KFH Malaysia shall select; and
 - ii. to appoint a sub-agent or sub-agent(s) to purchase the Merchandise on your behalf.

Appendix 1

Aqad for KFH SUKUK MURABAHAH TRANSACTION KFH Malaysia

Written Aqad: Sample 1

You [The name of the Counterparty] agree to enter into the agreement with KFH Malaysia as stipulated in the KFH Sukuk Murabahah Transaction Terms & Conditions KFH Malaysia(T&C) with the following detail:

Buyer : [Counterparty/KFH]*
Seller : [KFH/Counterparty]*
Sukuk : [Sukuk identification details including maturity, coupon etc.]
Principal/Face Value : [Principal/Face Value amount]
Net Proceeds : [Sukuk proceeds - calculation as per prevailing market practice]

Other transaction terms
Yield-to-maturity :
Trade Date :
Settlement Date :

The above transaction is based on T&C as detailed/ explained in KFH's website.

Important Note: There needs to be a positive response from the counterparty to evidence the Aqad acceptance.

Written Aqad: Sample 2

The following are the transaction details you have agreed to enter today with KFH Malaysia as stipulated in the KFH Sukuk Murabahah Transaction Terms & Conditions (T&C):

Buyer : [Counterparty/KFH]*
Seller : [KFH/Counterparty]*
Sukuk : [Sukuk identification details including maturity, coupon etc.]
Principal/Face Value : [Principal/Face Value amount]
Net Proceeds : [Sukuk proceeds - calculation as per prevailing market practice]

Other transaction terms
Yield-to-maturity :
Trade Date :
Settlement Date :

The above transaction is based on T&C as detailed/ explained in KFH's website.

Important Note: There needs to be a positive response from the counterparty to evidence the Aqad acceptance.

Aqad: Sample 3

Treasury Dealer:

“You [The name of the Counterparty] agree to enter into the agreement with KFH Malaysia, as stipulated in the KFH Malaysia Sukuk Murabahah Terms and Conditions (T&C), to [Buy/Sell]* [Amount] [Sukuk] and to settle the Net Proceeds of [MYR net proceeds] for settlement [Settlement Date].”

Counterparty:

“Agreed.”

Verbal Aqad: Sample 4

Treasury Dealer : Hello Sir, we need to confirm the Sukuk transaction with you.

Counterparty : Okay, please go ahead.

Treasury Dealer : You agree to enter into the KFH Malaysia Sukuk Murabahah Terms and Conditions (T&C)KFH Malaysia as posted on our website, to [buy/sell] [from/to] you* RM10 million Face Value of GII (Sukuk) and settle the Net Proceeds of RM10.33 mil for value 11 Feb.

Counterparty : Okay agreed.

Treasury Dealer : Okay, thank you Sir.

**To delete accordingly based on who is the seller and buyer.*

Appendix 2

WAKALAH AGREEMENT

KFH INTERNATIONAL COMMODITY MURABAHAH DEPOSIT-i

We wish to place deposit such sums of monies from time to time with Kuwait Finance House (Malaysia) Berhad (672174-T) (“KFH Malaysia”) pursuant to or under the **KFH International Commodity Murabahah Deposit-i Programme (“Deposit Programme”)** and we understand that the Deposit Programme would involve: -

- a) the appointment of KFH Malaysia as our agent to purchase Shariah compliant goods and commodities which include but not limited to palm oil products, oleo chemical products, rubber products, cocoa products or soya products in the local/international markets as determined by KFH Malaysia (“Merchandise”) and subsequently to sell the Merchandise. KFH Malaysia shall use such monies that we have deposited with KFH Malaysia for the purpose of the said Deposit Programme;
- b) immediately upon the purchase of the Merchandise referred to in (a) above, KFH Malaysia on behalf of us shall sell the Merchandise to itself at a price (“Sale Price”) and on deferred payment terms as mutually agreed between KFH Malaysia and us;
- c) the Sale Price and the deferred payment terms referred to in (b) above shall be agreed between KFH Malaysia and us prior to us making the deposit referred to above; and
- d) the appointment of KFH Malaysia as our agent referred to in (a) above and the purchase and sale of the Merchandise referred to in (b) above shall be subject to terms and conditions (“Terms and Conditions”) which a copy shall be under the Deposit Programme.

We hereby also agree and acknowledge that for every deposit placement that we make with KFH Malaysia pursuant to or under the Deposit Programme, KFH Malaysia is authorised to act as our agent and utilise such deposits for the purposes of purchasing and selling the Merchandise on our behalf as stated in (a) above.

We hereby indemnify KFH Malaysia against all losses, claims, actions, proceedings, damage, costs and expenses whatsoever brought or claimed by any party and/or incurred or sustained by KFH Malaysia as a result of the purchase and sale of the Commodities under any transactions entered pursuant to the Deposit Programme as our agent or a breach of any of our obligations herein. The indemnity shall survive termination of our participation under the Deposit Programme and any sums payable thereto shall not be subject to any deduction whether by way of set-off, counter claim or otherwise.

We shall deliver to KFH Malaysia a certified true copy or extract of our board of directors’ resolution or equivalent management body approving the execution, delivery and performance

of this Deposit Programme and the documents and arrangements contemplated by it together with a list of signatories, with specimen signatures, of those persons authorised to give instructions to KFH Malaysia as per the time and format prescribed by KFH Malaysia.

This document shall be read in conjunction with the Terms And Conditions KFH International Commodity Murabahah Deposit-i.

Appendix 3

TERMS AND CONDITIONS KFH INTERNATIONAL COMMODITY MURABAHAH DEPOSIT-i

1. KFH Malaysia's actions as your agent is limited only to the purchase and the sale of the Merchandise on your behalf and save where KFH Malaysia has acted grossly negligent or with wilful misconduct, KFH Malaysia's actions on your behalf as the Principal are for the Principal's account and risk.
2. In the event that the Merchandise is either not delivered to KFH Malaysia or KFH Malaysia is unable to purchase the Merchandise by reason of such purchase being in contravention of any applicable Shariah requirement, laws or regulations, KFH Malaysia shall refund such sum deposited by the Principal with KFH Malaysia to the Principal upon receiving notice thereof, for value the same day or if not reasonably practicable, the next following Business Day.
3. In respect of the purchase of the Merchandise by KFH Malaysia from the Principal ("**Sale Transaction**"), title of the Merchandise shall pass to KFH Malaysia as purchaser thereof immediately after the passing of such title to the Principal pursuant to the purchase of the Merchandise by KFH Malaysia as agent of the Principal.
4. The Sale Transaction is on the basis that :-
 - (a) all payments to be made by KFH Malaysia pursuant to a Sale Transaction shall be made in full without any set-off or counterclaim, and in immediately available and transferable funds for good value on the due date thereof to the account of the Principal that the Principal shall maintain with KFH Malaysia; and
 - (b) all payments to be made by KFH Malaysia pursuant to a Sale Transaction shall be without deduction and free from any present or future taxes, levies, imposts, duties, charges, fees, deductions, withholdings, restrictions or conditions of any nature imposed, levied, collected or assessed by any taxing authority unless KFH Malaysia is compelled by law to make any such deduction or withholding.

In that event KFH Malaysia is compelled by law to make such deduction or withholding, it will ensure that such deduction or withholding does not exceed the minimum legal liability thereof and will pay to the appropriate authorities the amount deducted or withheld and supply a tax deduction certificate to the Principal.

5. If any payment due from KFH Malaysia to the Principal pursuant to a Sale Transaction falls on a day which is not a Business Day, the payment shall be made on the next succeeding Business Day save where the next succeeding Business Day falls in the next

calendar month in which event the payment shall be due and made on the day immediately preceding the Business Day.

6. Neither party hereto shall be liable to the other in respect of a failure to make a delivery of the Merchandise or payment on the due date if such failure is caused (directly or indirectly) by an error or omission of an administrative or operational nature, and funds or the Merchandise (as the case may be) you're available to such party to enable it to make the relevant payment or delivery when due, provided that such error or omission is remedied within three (3) Business Days of notice of default being received.
7. Any notice to be given in relation to the purchase and/or sale of the Merchandise shall, except where communication by telephone is expressly agreed and contemplated, be given in writing. All mail and notices may be given by such modes and subject to such additional terms and conditions as may be agreed between the Parties at their respective addresses, telephone/ facsimile and e-mail addresses as formally communicated by the Parties and will be deemed to be received :-
 - (a) if in writing and delivered in person or by courier on the date it is delivered;
 - (b) if sent by facsimile transmission, on the date that transmission is received by the recipient in legible form and confirmed by a transmission report generated by the sender's facsimile machine;
 - (c) if sent by ordinary or registered mail, (unless there is evidence of earlier receipt) three (3) days after posting;
 - (d) if sent by electronic messaging system (email, SWIFT, Bloomberg, Reuters Dealing, facsimile), on the date that electronic message is received, unless the date of that delivery or that receipt as applicable is not a Business Day or that communication is delivered or received as applicable after the close of business on a Business Day, in which case that communication shall be deemed given on the first following day that is a Business Day.
 - (e) When closing a transaction via telephone or email or any other acceptable mode of transaction, the communication must clearly state the party to the transaction, the agreed amount of funds or money transacted and the agree tenure of the transaction.
8.
 - (a) Each Party ("Recipient") is authorized, but not obliged, to rely upon and act on all instructions and correspondences ("Instructions") from the other Party ("Sender") communicated by telephone or transmitted by facsimile or other electronic mode of communication as may be mutually agreed upon by the Parties.
 - (b) The Sender releases the Recipient which has relied upon or acted on the Instructions from the Sender and indemnifies and holds the Recipient harmless from and against all actions, suits, proceedings, costs (including legal costs), claims, demands, charges, expenses, losses and liabilities however arising (unless due to the gross negligence or willful default of the Recipient) in consequence of, or in any way related to:-
 - (i) the Recipient having acted in good faith in accordance with the Sender's

Instruction, notwithstanding that such instruction(s), as above have been initiated or transmitted in error or fraudulently altered, misunderstood or distorted in the lines of communication or transmission;

(ii) the Recipient having refrained from acting in accordance with the Sender's Instruction by reason of failure of either actual transmission thereof to the Recipient or receipt by the Recipient for whatever reason, whether connected to the fault or failure or other cause connected to the sending or receiving machine or otherwise; or

(iii) the Sender's failure to forward all original copies of Instruction to the Recipient within such period as the Recipient may specify.

9. KFH Malaysia and the Principal shall be entitled to record all telephone conversations and instructions received from the other Party and such recordings and transcripts thereof shall be used by the Parties as evidence in any dispute. Each Party's recordings shall be and remain the sole property of such Party. When closing a transaction via telephone or email or any other acceptable mode of transaction communication, the communication must clearly state the party to the transaction, the agreed amount of funds or money transacted and the agreed tenor of the transaction.
10. KFH International Commodity Murabahah Deposit-i is an approved deposit product by Bank Negara Malaysia and any deposits made pursuant to or under it is protected by the Malaysia Deposit Insurance Corporation established under the Malaysia Deposit Insurance Corporation Act 2005
11. The contents of this Terms and Conditions and the transactions contemplated by this Terms and Conditions shall be kept confidential by the parties hereto save to the extent that any such matter shall become a matter of public knowledge other than through the fault of either party hereto and save as required by an order of a court of a competent jurisdiction or a competent administrative authority.
12. This Terms and Conditions and the transactions contemplated by it is personal to the parties hereto and their respective rights and obligations hereunder shall not be assignable or transferable except with the prior written consent of the other.
13. This Terms and Conditions are intended to be wholly Shariah-compliant. Both KFH Malaysia and the Principal hereby agree and acknowledge that their respective rights and obligations under this Terms and Conditions are intended to be subject to and in conformity with Shariah principles (such Shariah principles as are determined by the Shariah Committee /Shariah Supervisory Board of KFH Malaysia with concurrence of the Shariah Advisory Council of Bank Negara Malaysia).
14. The illegality, invalidity, or unenforceability of any provision of this Terms and Conditions under the laws of any jurisdiction or under any Shariah ruling or resolution shall not affect the validity or enforceability of any other provision of this Terms and

Conditions or other agreements and/or documents to be entered into pursuant hereto.

15. This Terms and Conditions shall be governed by and construed in accordance with the laws of Malaysia and each of the parties hereto irrevocably agrees that the Courts of Malaysia shall have jurisdiction for the purpose of any proceedings arising out of or in connection with this Terms and Conditions and, for such purposes, irrevocably submits to the jurisdiction of such courts.
16. Time wherever mentioned shall be of the essence.

In this document:

Unless otherwise stated, currency for payment between the Parties is Ringgit Malaysia

*“**Business Day**” shall mean a day (excluding Saturday and Sunday) on which Islamic banks are open for business in Kuala Lumpur, Malaysia. In the event the currency for payment is other than Ringgit Malaysia, the expression “**Business Day**” shall mean a day (excluding Saturday and Sunday) on which commercial banks are open for business in the principal financial centre for foreign exchange dealings in such currency.*