

- (xvii) *Calculation agent* : Not applicable.
- (xviii) *Others (please specify)* : Lead Manager  
AmlInvestment Bank
- Security Agent  
AmlInvestment Bank
- (b) *Islamic principles used* : Murabahah (via a Tawarruq arrangement)
- (c) *Facility description* : An unrated sukuk issuance programme based on the Shariah principles of Murabahah ("**Sukuk Murabahah**") of up to RM2,400.0 million in nominal value ("**Sukuk Murabahah Programme**").

The issuance of each series of the Sukuk Murabahah from time to time under the Sukuk Murabahah Programme shall be effected as follows:-

1. The Sukuk Trustee (on behalf of the holders of the Sukuk Murabahah ("**Sukukholders**") and BMSB shall enter into a Service Agency Agreement, pursuant to which BMSB (in such capacity, the "**Purchase Agent**") is appointed as the agent of the Sukukholders for the purchase and sale of Shariah-compliant commodities ("**Commodities**"). The Purchase Agent will then enter into a Facility Agency Agreement to appoint the Facility Agent as the sub-purchase agent (in such capacity, the "**Sub-Purchase Agent**") for the purchase and sale of Commodities under the Sukuk Murabahah Programme.
2. Pursuant to a Commodity Murabahah Master Agreement, BMSB (in such capacity, the "**Purchaser**") issues a purchase order (the "**Purchase Order**") to the Purchase Agent, and subsequently thereafter, the Purchase Agent issues the Purchase Order to the Sub-Purchase Agent. In the Purchase Order, the Purchaser will request the Purchase Agent, and subsequently, the Purchase Agent will request the Sub-Purchase Agent to purchase the

(2) years from the date of the SC's authorisation and no Sukuk Murabahah shall mature after the expiry of the Sukuk Murabahah Programme.

- (i) *Profit/coupon/rental rate* : To be determined prior to the issuance of the Sukuk Murabahah and the rate shall be applicable throughout the tenure of each issue of the Sukuk Murabahah.
- (j) *Profit/coupon/rental payment frequency* : The frequency of the profit payments ("**Profit Payments**") shall be on a semi-annual basis or such other period of frequency to be agreed between BMSB and the Lead Arranger prior to each issuance of Sukuk Murabahah (each such date for payment, a "**Profit Payment Date**").
- (k) *Profit/coupon/rental payment basis* : Actual/365 days
- (l) *Security/collateral, applicable* *where* : The Sukuk Murabahah Programme shall be secured by the following;
  - (a) memorandum of deposit ("**MOD**") over the shares of the Issuer;
  - (b) assignment and charge over the Shariah-compliant Disbursement Account, the Shariah-compliant Finance Service Reserve Account ("**FSRA**"), the Shariah-compliant Proceeds Account, the Shariah-compliant Sale Proceeds Account and the monies standing to the credit therein;
  - (c) debenture by the Issuer creating fixed and floating charges over its assets (save for the Sungai Besi Land (as defined in item (2)(m)(ii)(1)) when it is transferred to the Issuer);
  - (d) charge over the proceeds from the sale of the Sungai Besi Land and a power of attorney in favour of the Security Agent to deal with the Sungai Besi Land upon the declaration of an Event of Default;
  - (e) assignment and charge over the following ("**Development Agreements**"):

- (i) Development Agreement dated 17 February 2012 between the Government of Malaysia and 1Malaysia Development Berhad in relation to the development of the Pangkalan Udara Sendayan, Negeri Sembilan;
- (ii) Development Agreement dated 13 January 2012 between the Government of Malaysia and 1Malaysia Development Berhad in relation to the development of the Royal Malaysian Police Air Unit Flight Training Base, Ipoh, Perak;
- (iii) Development Agreement dated 21 December 2011 between the Government of Malaysia and 1Malaysia Development Berhad in relation to the development of the Pangkalan Udara Tentera Udara, Diraja Malaysia, Butterworth;
- (iv) Development Agreement dated 21 December 2011 between the Government of Malaysia and 1Malaysia Development Berhad in relation to the development of the Pangkalan Udara Tentera Udara Diraja Malaysia, Gong Kedak;
- (v) Development Agreement dated 17 February 2012 between the Government of Malaysia and 1Malaysia Development Berhad in relation to the development of the Pangkalan Udara Kuantan, Pahang;
- (vi) Development Agreement dated 17 February 2012 between the Government of Malaysia and 1Malaysia Development Berhad in relation to the development of the Pangkalan Udara Subang, Selangor;

- (vii) Development Agreement dated 17 February 2012 between the Government of Malaysia and 1Malaysia Development Berhad in relation to the development of the 31 Rejimen Diraja Camp, Kajang, Selangor; and
  - (viii) Development Agreement dated 17 February 2012 between the Government of Malaysia and 1Malaysia Development Berhad in relation to the development of the Pangkalan Gerakan Udara Polis Diraja Malaysia, Subang;
- (f) assignment and charge over the insurance/Takaful policies and underlying construction contracts (and any performance bonds provided in respect thereof) in relation to the Relocation Project (as defined in item 2(m)(ii)(1));
  - (g) a letter of undertaking from 1MDB in form and substance acceptable to the Principal Adviser/Lead Arranger/Lead Manager and agreed by 1MDB ("**Letter of Undertaking**"), undertaking to (i) ensure, cause and/or procure, in a timely manner, that the Issuer shall, at all times, have sufficient funds to meet all its working capital, capital expenditure, operating expenditure, debt servicing obligations and any other payment obligations, including any of the Issuer's top-up obligations; and (ii) meet its obligations above by way of injecting capital into the Issuer or by way of advances or pursuant to any other method permitted by law;
  - (h) assignment and charge over the following back to back agreements between the Issuer and 1MDB and/or 1MDB RE in relation to the Relocation Project:
    - (i) where applicable, the letter of

appointment issued by 1MDB to 1MDB RE in relation to the appointment by 1MDB of 1MDB RE as the main contractor for the Relocation Project;

- (ii) sale and purchase agreement ("**SPA**") entered into between 1MDB RE and the Issuer for the sale of the Sungai Besi Land by 1MDB RE to the Issuer;
- (iii) inter-company Shariah-compliant financing contracts, i.e. Murabahah contracts to be entered into between the Issuer and 1MDB RE for the purpose of advancing/channelling the proceeds of the Sukuk Murabahah from the Issuer to 1MDB RE; and
- (iv) turnkey contracts entered or to be entered into between 1MDB RE and Perbadanan Perwira Harta Malaysia ("**PPHM**") in relation to the appointment by 1MDB RE of PPHM as the turnkey contractor for the Relocation Project;

- (i) such other security as determined by the Principal Adviser / Lead Arranger / Lead Manager and/or advised by the Solicitors and agreed by the Issuer.

For the purposes of these principal terms and conditions, 1MDB and 1MDB RE shall collectively be referred to as "**Third Party Security Providers**" and each a "**Third Party Security Provider**".

For the avoidance of doubt, item 2(l)(e) above shall only be created as a condition subsequent.

- (m) *Details on utilisation of proceeds by issuer. If proceeds are to be utilised for project or capital expenditure, description of the project or*

- (i) The proceeds shall be utilised by the Issuer for the following purposes, which shall at all times be Shariah-compliant:

capital expenditure, where applicable

- (1) to provide Shariah-compliant financing to 1MDB RE for the purpose of paragraph (ii) below; and/or
  - (2) to prefund the fees and expenses of the Sukuk Murabahah Programme, the Minimum FSRA Balance (as defined in item (2)(n)) during the period when the Relocation Project is being carried out and the Account (as defined in item (2)(y)(vii)).
- (ii) 1MDB RE shall utilise the Shariah-compliant financing received by it from the Issuer for the following purposes, which shall at all times be Shariah-compliant:
- (1) to part finance the cost of construction of the replacement facilities at the relocation sites and the cost of relocation of the existing Occupants (as defined below) from the Kuala Lumpur Air Base, Sungai Besi ("**Sungai Besi Land**") to the relocation sites ("**Relocation Project**"); and/or
  - (2) to fund its working capital requirements which are Shariah-compliant.

Notes:

1. *In the event the amount allocated for the purposes set out in paragraph (i)(1) above is not utilised fully for such purposes, the unutilised portion may be used for the purpose set out in paragraph (i)(2) above and vice versa.*
2. *In the event the amount allocated for the purposes set out in paragraph (ii)(1) above is not utilised fully for such purposes, the unutilised portion may be*