



RHB ISLAMIC BANK BERHAD (680329-V)



Dated This Day of 20

RHB ISLAMIC BANK BERHAD
(Company No. 680329-V)
("Musharik 1")

And

("Musharik 2")



DIMINISHING MUSHARAKAH
CO - OWNERSHIP AGREEMENT
(ALSO KNOWN AS MUSHARAKAH
AGREEMENT)

(EHF-i/001/Home Under Construction)



Prepared by :-

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THIS AGREEMENT is made the day and year as set out in Item 1 of Schedule 1 herein between:

- (A) **RHB ISLAMIC BANK BERHAD** (Company No. 680329-V), a company incorporated in Malaysia under the Companies Act, 1965 and having, at present, a registered and business address respectively as set out in Item 2 of Annexure A of the Equity Home Financing-i Terms and Conditions (as defined herein) ("**Musharik 1**" or "**Bank**") of the one part;

AND

- (B) the person whose name, description and present address as set out in Item 1 of Annexure A of the Equity Home Financing-i Terms and Conditions ("**Musharik 2**" or "**Customer**") of the other part

(collectively referred to as the "**Musharakah Parties**").

Recitals

- (A) The Customer/Customer together with the third party(ies)* has/have* entered into and executed a Sale and Purchase Agreement (as defined herein) whereby pursuant thereto the Customer/Customer together with the third party(ies)* has/have* deposited a Down Payment (as defined herein).
- (B) Subsequent to the execution of the Sale and Purchase Agreement, the Customer has approached the Bank to form a Musharakah (as defined herein) for the purpose of facilitating the ownership of the Property (hereinafter referred to as the "**Approach**").
- (C) In furtherance to the Approach and pursuant to the Equity Home Financing-i Terms and Conditions, the Bank as Musharik 1 and the Customer as Musharik 2 have agreed to enter into a Musharakah arrangement evidenced by this Agreement to establish and contribute to the Musharakah.
- (D) The Customer and the Bank agree that their respective rights and obligations in respect of their contribution to the Musharakah shall be governed by the provisions of this Agreement.
- (E) The Customer undertakes to buy the Musharakah Units owned by the Bank based on the terms and subject to the conditions set out herein.

It is agreed as follows:

1 Definitions and Interpretation

1.1 Incorporated Definitions

In this Agreement, unless the context otherwise requires and save as specifically defined in this Agreement, words and expressions defined in the Equity Home Financing-i Terms and Conditions shall have the same meanings when used herein.

Capital Contribution	means the amount of capital contribution (whether in cash or in kind) provided by the Bank as Musharik 1 and the Customer as Musharik 2 respectively, in the Musharakah which is set out in Schedule 2 herein;
Down Payment	means an amount of monies duly paid by the Customer/Customer together with the third party(ies) to the Vendor to serve as a down payment in relation to the purchase of the Property and/or the construction of the Property pursuant to the Sale and Purchase Agreement;
Equity Home Financing-i Terms and Conditions	means the terms and conditions as attached in Schedule 8 herein which lay out the terms and conditions of the Equity Home Financing-i Facility and links the Transaction Documents and includes any amendments, variations and/or supplementals made from time to time;
Force Majeure	means war, hostilities, riot, uprising, flood, fire, storm, explosion, landslide, earthquake and sabotage which are unpredictable and beyond the reasonable control of the Musharakah Parties in claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation;
House Owner Takaful	means the house owner takaful policy taken out or to be taken out by the Customer in respect of the Property on the Bank's behalf in relation to the Bank's stake in the Property and on the Customer's own behalf in relation to the Customer's stake in the Property from a takaful company acceptable by the Bank;
Musharakah	means the joint venture entered into between the Bank and the Customer in which the Bank and the Customer contribute to the capital of the Musharakah (whether in cash or in kind) to facilitate the ownership of the Property and the

gradual purchase by the Customer of the Bank's stake in the Musharakah throughout the duration of the Equity Home Financing-i Facility based on the Shariah principle of Musharakah Mutanaqisah;

Musharakah Tenure		means the tenure for the Musharakah as set out in Item 5 of Schedule 1 herein;
Notice of Fulfilment		means a notice of fulfilment in relation to the fulfilment of purchase of the Musharakah Units by the Customer from the Bank in or substantially in the form as set out in Schedule 3 herein whereby the Bank acknowledges that full beneficial ownership over the Property is transferred to the Customer pursuant thereto;
Other Purpose		means any other purposes acceptable to the Bank for which the Equity Home Financing-i Facility will be utilised in relation to the Property including but not limited to the payment of will writing, construction costs, legal fees, parking lots, accessory parcel(s), renovation costs and other purposes as shall be determined by the Bank;
Property		means the property as set out in Item 4 of Schedule 1 herein and includes all fixtures and buildings erected or to be erected thereon or affixed or to be affixed thereto;
Sale and Purchase Agreement		means the sale and purchase agreement entered into and executed between the Vendor and the Customer/Customer together with the third party(ies)* for the purchase of the Property and/or for the purchase of land in respect of the Property and/or for the construction of the Property and/or for any other purpose whatsoever in relation to the Property with the details as set out in Item 6 of Schedule 1 herein and includes any amendments, variations and/or supplementals made or entered into from time to time;
Service Agreement	Agency	means the service agency agreement entered into and executed between the Bank and the Customer relating to the appointment of the Customer by the Bank as service agent under the Shariah principle of Wakalah in which the Customer shall assume the responsibility to assist the Bank in carrying out and performing all Major Maintenance required for the Property and in procuring the taking out of the relevant takaful in respect of the Property for and on behalf of the Musharakah and includes any

amendments, variations, additions thereto and/or supplementals made or entered into from time to time;

Total Loss Incident	means any incident or occurrence that results in the total loss or destruction of, or damage to the whole of the Property or any incident or occurrence that makes the Property permanently unfit for any economic use and the repair or remedial work in respect thereof is uneconomical;
this Agreement	means this Agreement entered into and executed between the Bank and the Customer relating to the Bank and the Customer's respective contribution to the Musharakah which is established under the Shariah principle of Musharakah, for the purpose of purchasing the Property and includes any amendments, variations and/or supplementals made or entered into from time to time; and
Vendor	means the party(ies) in relation to the Sale and Purchase Agreement whose name, description and present address as set out in Item 7 of Schedule 1 herein.

1.2 Incorporated Construction, Incorporated Interpretation and Language

In this Agreement, unless the context otherwise requires and save as specifically defined in this Agreement, words, expressions and phrases used in the Equity Home Financing-i Terms and Conditions shall be construed, interpreted and shall have the same meanings when used herein. English is the governing language of this Agreement, all correspondences, notices or other documents required or permitted hereunder and shall prevail over any translations that shall be made of this Agreement.

2 Musharakah Arrangements

2.1 Musharakah

The Customer and the Bank as Musharakah Parties hereby agree to enter into a joint venture or Musharakah based on the Shariah principle of Musharakah Mutanaqisah on the terms and subject to the Equity Home Financing-i Terms and Conditions.

2.2 Purpose

The purpose of the Musharakah is to facilitate the ownership of the Property.

2.3 Participation in the Musharakah

The Customer and the Bank hereby agree to provide the Capital Contribution in the amount as set out in Schedule 2 herein as evidence in relation to the respective

party's' participation in the Musharakah. For the avoidance of doubt, the Customer and the Bank agree that:

- (i) the Capital Contribution of the Customer to the Musharakah shall be in the form of the Customer's rights and interests over the Property by virtue of the Down Payment and/or other monies paid by the Customer/Customer together with the third party(ies) to the Vendor (if any) pursuant to the Sale and Purchase Agreement; and
- (ii) the Capital Contribution of the Bank to the Musharakah shall be in the form of the amount of the Bank's settlement, on behalf of the Customer, of the balance purchase price or any other relevant payment due under the Sale and Purchase Agreement, the financing amount provided by the Bank to the Customer in relation to the payment of the contributions/premiums for the Takaful Mortgage Plan and House Owner Takaful (if any), the financing amount provided by the Bank to the Customer in relation to Other Purpose as stated in the Letter of Offer (if any) and any other costs incurred in the course of forming the Musharakah (if any).

2.4 Structure of Musharakah

The Musharakah shall be divided into equal Musharakah Units whereby each Musharakah Unit constitutes the equivalent of one unit of the total Capital Contribution. The value of each Musharakah Unit is as set out in Item 2 of Schedule 1 herein.

2.5 Musharakah Units

The Customer and the Bank each own a number of Musharakah Units in the Musharakah commensurate with their respective Capital Contribution. At the commencement of the Musharakah, the Musharakah Units owned by the Customer and the Bank respectively is as set out in Schedule 2 herein.

2.6 Ownership in the Musharakah

The Customer and the Bank hereby agree that upon the Property being acquired by the Musharakah, the Bank's Musharakah Units will be gradually transferred to the Customer in the course of the Customer making the Musharakah Unit(s) Payment. The Customer and the Bank further agree that this would effectively transfer the beneficial ownership in the Property to the Customer to the extent of such Musharakah Units being transferred. For the avoidance of doubt, the Customer and the Bank hereby agree that at the end of the Musharakah, the Customer would have acquired all the Musharakah Units owned by the Bank and effectively, the Customer would have acquired all units in the Musharakah and the entire beneficial ownership in the Property.

2.7 Effect of Total Loss Incident to the Musharakah Parties

Subject to the terms and conditions as set out in clause 13.1 (xxiii) of of Schedule 8 herein, the Customer and the Bank hereby agree that in case of Total Loss Incident due to the occurrence of any Force Majeure events ("**Total Loss**"), the Customer

and the Bank shall bear any loss incurred pursuant thereto based on their respective proportionate ownership of Musharakah Units at the time of Total Loss.

3 Musharakah Unit(s) Payment

3.1 Musharakah Unit(s) Payment

- (i) The Bank will notify the Customer in relation to the amount of the Musharakah Unit(s) Payment which shall be payable by the Customer to the Bank in the manner which shall be determined by the Bank at its sole and absolute discretion.
- (ii) The Customer shall make the Musharakah Unit(s) Payment to the Bank in one (1) lump sum and shall be paid by the Customer directly into the Account on or before the 25th day of every month.
- (iii) The Customer and the Bank hereby agree that by the Bank accepting the Musharakah Unit(s) Payment from the Customer from time to time, each of the acceptance of the Musharakah Unit(s) Payment by the Bank will be construed as an agreement of a sale contract between the Customer and the Bank.

3.2 Additional Musharakah Unit(s) Payment

Subject to the provisions of this Agreement, the Customer may make an additional Musharakah Unit(s) Payment to the Bank subject to the following conditions:

- (i) the Customer has paid in full all other moneys due and outstanding under this Agreement and the Transaction Documents;
- (ii) the Bank shall have received from the Customer not less than thirty (30) calendar days prior written notice of its intention to make such additional Musharakah Unit(s) Payment specifying the amount that the Customer intends to pay;
- (iii) the Bank shall signify its acceptance or rejection of the notice received from the Customer as stipulated in clause 3.2 (ii) above. If the Bank agrees to accept the additional Musharakah Unit(s) Payment from the Customer, the Bank shall signify its acceptance of such additional Musharakah Unit(s) Payment at a time that shall be determined by the Bank after receiving such notice from the Customer by issuing a notice to the Customer specifying the following matters:
 - (a) the number of the Musharakah Units offered to the Customer by the Bank;
 - (b) the amount to be paid by the Customer; and
 - (c) the date to make such Musharakah Unit(s) Payment,and the Customer shall pay the amount stated in such notice on the date specified therein.

3.3 Effect of Additional Musharakah Unit(s) Payment

For the avoidance of doubt, should the Customer exercises the right to make additional Musharakah Unit(s) Payment pursuant to clause 3.2 herein, the Customer is still obliged to maintain the monthly Musharakah Unit(s) Payment as usual.

3.4 Advance Musharakah Unit(s) Payment

In the event where the Customer pays more than the required monthly Musharakah Unit(s) Payment without notifying the Bank, such payment will be treated by the Bank as an advance Musharakah Unit(s) Payment.

4 Purchase of Musharakah Unit(s) by the Bank

(i) Subject to the provisions of this Agreement, the Bank and the Customer hereby agree that the Bank may purchase certain numbers of Musharakah Unit(s) owned by the Customer ("**Exclusive Musharakah Unit(s)**") provided that the Customer shall make a written offer to sell the Exclusive Musharakah Unit(s) to the Bank in or substantially in the form as set out in Schedule 5 of this Agreement ("**Exclusive Offer**") by specifying in the Exclusive Offer, inter alia, the following details:

- (a) the reason to sell the Exclusive Musharakah Unit(s) to the Bank;
- (b) the number of the Exclusive Musharakah Unit(s) for sale by the Customer to the Bank;
- (c) the value of each Exclusive Musharakah Unit(s); and
- (d) the price of the Exclusive Musharakah Unit(s).

For the avoidance of doubt, the details to be specified in the Exclusive Offer as stated above shall be based upon prior consultation of the Customer with the Bank.

In addition, it should also be stated in the Exclusive Offer that the Customer undertake to purchase back the duly sold Exclusive Musharakah Unit(s) from the Bank in certain manner, at certain amount and on certain period of time that shall be determined by the Bank.

- (ii) The Bank shall, upon receipt of the Exclusive Offer from the Customer, signify its acceptance or rejection of the Exclusive Offer as stipulated in clause 4 (i) above in form and at time that shall be determined by the Bank.
- (iii) If the Bank agrees to accept the Exclusive Offer from the Customer, the Bank shall signify its acceptance of such Exclusive Offer in or substantially in the form as set out in Schedule 6 of this Agreement ("**Acceptance Letter**") and at time that shall be determined by the Bank and subsequently thereafter the Bank and the Customer shall execute an agreement in or substantially in the form as set out in Schedule 7 of this Agreement ("**Purchase Agreement**") in relation to the purchase of the Exclusive Musharakah Unit(s) by the Bank from the Customer.

For the avoidance of doubt, effective upon execution of the Purchase Agreement, the Exclusive Musharakah Unit(s) shall be transferred from the Customer to the Bank and following which the number of the Musharakah Units owned by the Customer thereafter will reduce proportionately while the number of the Musharakah Units owned by the Bank thereafter will increase proportionately.

5 Takaful

The Bank and the Customer hereby agree that the Musharakah shall be responsible to procure the taking out of the House Owner Takaful and any other relevant takaful in respect of the Property (if any) to insure against Total Loss Incident, any loss of rental income/revenue, third party liabilities and other risks and damages customarily insured against in relation to asset similar to the Property such as loss or damage by accident or fire with Takaful Operators in the name of the Musharakah for the benefit of the Bank and the Customer. For the avoidance of doubt, in order to facilitate the Musharakah in procuring the taking out of the House Owner Takaful and any other relevant takaful in respect of the Property (if any), the Bank and the Customer hereby agree to execute a Service Agency Agreement in which the Customer shall assume the responsibility to assist the Bank in procuring the taking out of the House Owner Takaful and any other relevant takaful in respect of the Property (if any) for and on behalf of the Musharakah upon the terms and subject to the conditions of the Service Agency Agreement.

6 Dissolution

6.1 Dissolution of the Musharakah

Upon the occurrence of an Event of Default, or at any time thereafter, irrespective of whether any Event of Default is continuing, the Musharakah shall be dissolved and the terms and conditions in relation to Event of Default in the Equity Home Financing-i Terms and Conditions shall forthwith apply.

6.2 Early Dissolution of the Musharakah

In the event where the Musharakah is dissolved:

- (i) within the first [insert period] (insert period in numerical) years from the date of the first disbursement of the Bank's Capital Contribution relating to the Musharakah; or
- (ii) after the first [insert period] (insert period in numerical) years from the date of the first disbursement of the Bank's Capital Contribution relating to the Musharakah but prior to the end of the Musharakah Tenure,

it will be deemed as an early dissolution of the Musharakah upon which a formulae as stipulated in the Letter of Offer may be imposed for such case.

7 Expiry of Musharakah

- (i) The Bank and the Customer agree that upon the purchase of all the Musharakah Units by the Customer from the Bank and subject to the settlement of all Outstanding Amounts under the Equity Home Financing-i Facility, the Bank shall issue a Notice of Fulfilment.
- (ii) The Musharakah shall expire:
 - (a) upon the purchase of all the Musharakah Units by the Customer from the Bank pursuant to clause 7 (i) above; or
 - (b) upon the occurrence of an Event of Default under any of the Transaction Documents.

8 Agreement Not to Constitute a Partnership

Nothing in this Agreement shall be deemed to constitute a partnership amongst the parties to this Agreement pursuant to the Partnership Act 1961 and/or any common law principles relating to partnership and no party shall have any authority to bind or shall be deemed to be the agent of the other in any way pursuant to the Partnership Act 1961 and/or any common law principles relating to partnership.

9 Further Provisions

9.1 Provisions of Equity Home Financing-i Terms and Conditions Incorporated

All provisions of the Equity Home Financing-i Terms and Conditions are incorporated herein whether or not repeated herein and shall form part of this Agreement. Subject to such alterations or variations where necessary to make the provisions of the Equity Home Financing-i Terms and Conditions consistent with the provisions of this Agreement, in the event of any conflict or discrepancy between the provisions of the Equity Home Financing-i Terms and Conditions and this Agreement, the provisions of this Agreement will prevail for the purpose of interpretation and enforcement of this Agreement.

9.2 Provisions of Equity Home Financing-i Terms and Conditions to Subsist

The Bank and the Customer agree that the provisions of the Equity Home Financing-i Terms and Conditions shall continue to subsist and have effect notwithstanding the expiry or dissolution of the Musharakah in the event that there are outstanding obligations and liabilities of the Customer to the Bank, pursuant to the Equity Home Financing-i Facility, subsequent to the expiry or dissolution of the Musharakah. For the avoidance of doubt, the provisions of the Equity Home Financing-i Terms and Conditions will cease to have effect upon notification by the Bank to the Customer at a time that shall be determined by the Bank.

9.3 Additional Terms and Conditions

In addition to the terms and conditions specified herein, the Musharakah shall also be subject to the additional terms and conditions (if any) set out in Schedule 4 herein.

9.4 Stamp Duty Declaration

It is hereby agreed and declared that the Transaction Documents are all instruments employed in one transaction relating to the Equity Home Financing-i Facility of the amount as set out in Item 8 of Schedule 1 herein and for the purpose of section 4(3) and Item 27 of the First Schedule of the Stamp Act, 1949, this Agreement is deemed to be the principal or primary instrument.

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SCHEDULE 1

(which shall be taken and construed as an integral part of this Agreement)

Item	Matter	Particulars
1.	The day and year of this Agreement	The day of
2.	Value of each Musharakah Unit	Ringgit Malaysia One (RM1.00) only
3.	Date of Commencement for the Musharakah Unit(s) Payment by the Customer	<p>Where the first payment of the Equity Home Financing-i Facility amount by the Bank to the Vendor:</p> <p>(i) falls between the 1st and the 15th of the month, the Musharakah Unit(s) Payments shall commence on or before the 25th day of the same month;</p> <p>(ii) falls between the 16th and the last day of the month, the Musharakah Unit(s) Payments shall commence on or before the 25th day of the following month.</p>
4.	Description of Property	
5.	Musharakah Tenure	

6.	Date / Details of Sale and Purchase Agreement	<table border="1"> <tr> <td colspan="2">Sale and Purchase Agreement for purchase of the Property</td> </tr> <tr> <td>Date:</td> <td></td> </tr> <tr> <td>Details:</td> <td></td> </tr> <tr> <td colspan="2">Sale and Purchase Agreement for purchase of the accessory parcel(s)</td> </tr> <tr> <td>Date:</td> <td></td> </tr> <tr> <td>Details:</td> <td></td> </tr> </table>	Sale and Purchase Agreement for purchase of the Property		Date:		Details:		Sale and Purchase Agreement for purchase of the accessory parcel(s)		Date:		Details:	
Sale and Purchase Agreement for purchase of the Property														
Date:														
Details:														
Sale and Purchase Agreement for purchase of the accessory parcel(s)														
Date:														
Details:														
7.	Name, NRIC No., description and present address of the Vendor	<table border="1"> <tr> <td colspan="2">Sale and Purchase Agreement for purchase of the Property</td> </tr> <tr> <td>Name:</td> <td></td> </tr> <tr> <td>Address:</td> <td></td> </tr> <tr> <td colspan="2">Sale and Purchase Agreement for purchase of the accessory parcel(s)</td> </tr> <tr> <td>Name:</td> <td></td> </tr> <tr> <td>Address:</td> <td></td> </tr> </table>	Sale and Purchase Agreement for purchase of the Property		Name:		Address:		Sale and Purchase Agreement for purchase of the accessory parcel(s)		Name:		Address:	
Sale and Purchase Agreement for purchase of the Property														
Name:														
Address:														
Sale and Purchase Agreement for purchase of the accessory parcel(s)														
Name:														
Address:														
8.	Equity Home Financing-i Facility amount	Ringgit Malaysia ● (RM ●)												

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SCHEDULE 2

(which shall be taken and construed as an integral part of this Agreement)

	Capital Contribution	Musharakah Units Owned at the commencement of the Musharakah
The Bank (Musharik 1) RHB ISLAMIC BANK BERHAD (680329-V)	Ringgit Malaysia ● (RM ●)	●
The Customer (Musharik 2) The Customer (Musharik 2)	Ringgit Malaysia ● (RM ●)	●

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SCHEDULE 3

(which shall be taken and construed as an integral part of this Agreement)

NOTICE OF FULFILMENT

(Clause 7 (i) hereof)

(On the letterhead of the Bank)

Date: [Insert Date]

To: [Insert Address of the Customer]

Account Number: [Insert Account No]

RE: Equity Home Financing-i Facility under the Shariah principle of Musharakah Mutanaqisah

We, RHB ISLAMIC Bank Berhad (Company No: 680329-V) refer to the:

- (a) Letter of Hibah (if any);
- (b) Letter of Consent (if any);
- (c) Equity Home Financing-i Terms and Conditions;
- (d) Musharakah Agreement;
- (e) Purchase Undertaking;
- (f) Ijarah Agreement;
- (g) Service Agency Agreement;
- (h) Limited Declaration of Trust; and
- (i) Charge (or where applicable, Deed of Assignment (by way of security))

(collectively referred to as the "**Transaction Documents**").

Terms defined in the Transaction Documents shall have the same meanings herein.

We wish to confirm that we have received all payments in relation to the Musharakah Unit(s) Payment and the Ijarah Payment. Accordingly, we hereby confirm that all of the Musharakah Units owned by us in the Musharakah have been transferred to you and this effectively transfers the beneficial ownership in the Property to you.

For the avoidance of doubt, we hereby agree that you have acquired all the Musharakah Units owned by us and effectively, you have acquired the entire ownership of the Musharakah and the Property.

Yours faithfully,

For and on behalf of

RHB ISLAMIC Bank Berhad (Company No: 680329-V)

[Insert name of Authorised Signatory]

SCHEDULE 4

(which shall be taken and construed as an integral part of this Agreement)

Additional Terms and Conditions

(Clause 9.3)

SCHEDULE 5

(which shall be taken and construed as an integral part of this Agreement)

FORM OF EXCLUSIVE OFFER

(Clause 4 (i) hereof)

Date: [Insert date]

Consumer Banking Division
RHB ISLAMIC Bank Berhad
Level 11, Menara Yayasan Tun Razak,
200 Jalan Bukit Bintang,
55100 Kuala Lumpur

Dear Sirs,

Equity Home Financing-i Facility ("Facility")**Offer to Sell Musharakah Unit(s)**

I/We refer to the above matter. Unless otherwise specified herein, terms defined in the Musharakah Agreement and the Equity Home Financing-i Terms and Conditions shall have the same meanings herein.

By virtue of clause 4 (i) of the Musharakah Agreement, I/we as the Customer in relation to the Facility wish to make an offer to sell my/our Musharakah Unit(s) as stated below to RHB ISLAMIC Bank Berhad (the "**Bank**"). Please note that the reason I/we make this offer to the Bank is to use the proceeds from such sale to [Insert reasons].

Please find below the details of my/our offer relating to the sale of my/our Musharakah Unit(s) to the Bank for the Bank's attention:

- | | | |
|-------|---|---------------------|
| (i) | Number of the Musharakah Unit(s) for sale | : [Insert quantity] |
| (ii) | Value of each Musharakah Unit | : RM[Insert value] |
| (iii) | Price of the Musharakah Unit(s) | : RM[Insert amount] |

We understand that we may need to furnish you with additional supporting documents and we agree and permit you the right to disclose information pursuant to clause 17.5 of the Equity Home Financing-i Terms and Conditions.

If you agree to accept my/our offer herein by purchasing my/our Musharakah Unit(s) as stated above (the "**Exclusive Musharakah Unit(s)**"), I/we undertake to purchase back from the Bank the Exclusive Musharakah Unit(s) in certain manner, at certain amount and on certain period of time that shall be determined by the Bank.

I/We hope that the Bank would take into consideration in relation to my/our offer herein.

Thank you.

Yours sincerely,

Name:

NRIC No:

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SCHEDULE 6

(which shall be taken and construed as an integral part of this Agreement)

FORM OF ACCEPTANCE LETTER

(Clause 4 (iii) hereof)

(On the letterhead of the Bank)

[Insert date]

[Insert address of the Customer(s)]

Dear Sir/Madam,

Equity Home Financing-i Facility (“Facility”)

Acceptance Letter in relation to the Offer to Sell Musharakah Unit(s)

We refer to the above matter and your letter to us dated [Insert date] (the “**Letter**”). Unless otherwise specified herein, terms defined in the Musharakah Agreement and the Equity Home Financing-i Terms and Conditions shall have the same meanings herein.

Pursuant to the Letter, we hereby accept your offer to sell your following Musharakah Unit(s) to us (the “**Exclusive Musharakah Unit(s)**”) based on the details as stated below:

- (i) Number of the Musharakah Unit(s) for sale : [Insert quantity]
- (ii) Value of each Musharakah Unit : RM[Insert value]
- (iii) Price of the Musharakah Unit(s) : RM[Insert amount]

As per your undertaking in the Letter where you undertake to purchase back from us the Exclusive Musharakah Unit(s) in certain manner, at certain amount and on certain period of time that shall be determined by us, please find the details in relation to the repurchase arrangement of the Exclusive Musharakah Unit(s) by you from us as follows:

- (i) • : •
- (ii) • : •
- (iii) • : •

Please note that subsequent to this letter, we shall execute an agreement to reflect on our purchase of the Exclusive Musharakah Unit(s) from you at time, upon the terms and subject to the conditions that shall be determined by us.

Thank you.

Yours faithfully,

For and on behalf of

RHB ISLAMIC Bank Berhad (Company No: 680329-V)

[Insert name of Authorised Signatory]

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SCHEDULE 7

(which shall be taken and construed as an integral part of this Agreement)

FORM OF PURCHASE AGREEMENT

(Clause 4 (iii) hereof)

THIS PURCHASE AGREEMENT is made the day and year as set out in Item 1 of Appendix 1 herein between:

(A) **RHB ISLAMIC BANK BERHAD** (Company No. 680329-V), a company incorporated in Malaysia under the Companies Act, 1965 and having, at present, a registered and business address respectively as set out in Item 2 of Appendix 1 herein ("**Bank**") of the one part;

AND

(B) the person whose name, description and present address as set out in Item 3 of Appendix 1 herein ("**Customer**") of the other part.

Recitals

Pursuant to:

- (a) clause 4 (i) of the Musharakah Agreement dated as stated in Item 4 of Appendix 1 herein ("**Musharakah Agreement**") entered into between the Bank and the Customer; and
- (b) the offer letter from the Customer to the Bank dated as stated in Item 5 of Appendix 1 herein ("**Offer Letter**") in relation to the offer by the Customer to sell the Musharakah Unit(s) as duly owned by the Customer which amount are as set out in Item 7 of Appendix 1 herein ("**Exclusive Musharakah Unit(s)**") to the Bank,

the Bank has agreed to accept the offer of the Customer to purchase the Exclusive Musharakah Unit(s) via the acceptance letter to the Customer dated as stated in Item 6 of Appendix 1 herein ("**Acceptance Letter**") at the price as set out in Item 8 of Appendix 1 herein ("**Price**") upon the terms and subject to the conditions as set out herein.

IT IS HEREBY AGREED as follows:

1. Incorporated Definition

In this Purchase Agreement, unless the context otherwise requires and save as specifically defined in this Purchase Agreement, words and expressions defined in the Equity Home Financing-i Terms and Conditions shall have the same meanings when used herein.

2. Purchase of the Exclusive Musharakah Unit(s)

In consideration of the Bank having accepted via the Acceptance Letter the offer of the Customer as provided in the Offer Letter to purchase the Exclusive Musharakah Unit(s) from the Customer, the Customer hereby sells to the Bank and the Bank

hereby purchases from the Customer the Exclusive Musharakah Unit(s) at the Price upon the terms and subject to the conditions of this Purchase Agreement and the Musharakah Agreement.

3. Transfer of Rights, Title and Benefits

Upon execution of this Purchase Agreement, all rights, title and benefits of the Customer to the Exclusive Musharakah Unit(s) shall pass to the Bank.

4. Repurchase Arrangement of the Exclusive Musharakah Unit(s)

The Bank and the Customer herein agree that pursuant to the undertaking of the Customer as provided in the Offer Letter, the Customer shall purchase back the Exclusive Musharakah Unit(s) from the Bank upon the terms and subject to the conditions as provided in the Acceptance Letter which are further set out in Appendix 2 herein.

5. Provisions of Equity Home Financing-i Terms and Conditions Incorporated

All provisions of the Equity Home Financing-i Terms and Conditions are incorporated herein whether or not repeated herein and shall form part of this Purchase Agreement. Subject to such alterations or variations where necessary to make the provisions of the Equity Home Financing-i Terms and Conditions consistent with the provisions of this Purchase Agreement, in the event of any conflict or discrepancy between the provisions of the Equity Home Financing-i Terms and Conditions and this Purchase Agreement, the provisions of this Purchase Agreement will prevail for the purpose of interpretation and enforcement of this Purchase Agreement.

6. Stamp Duty Declaration

It is hereby agreed and declared that for the purpose of section 4(3) and Item 27 of the First Schedule of the Stamp Act, 1949, the Musharakah Agreement is deemed to be the principal or primary instrument and this Purchase Agreement is deemed to be the secondary or subsidiary instrument.

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APPENDIX 1

(which shall be taken and construed as an integral part of this Purchase Agreement)

Item	Matter	Particulars
1.	The day and year of this Purchase Agreement	The day of
2.	Registered and business address of the Bank	
3.	Name, NRIC No., description and present address and facsimile transmission, electronic or digital transmission communication numbers and/or addresses (if any) of the Customer	
4.	Musharakah Agreement	Date:
5.	Offer Letter	Date:
6.	Acceptance Letter	Date:
7.	Exclusive Musharakah Unit(s)	
8.	Price	Ringgit Malaysia ● (RM ●)

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APPENDIX 2

(which shall be taken and construed as an integral part of this Purchase Agreement)

Executed the day and year first set out in Item 1 of Appendix 1 above

THE BANK

Signed by

as Attorney for and on behalf of
RHB ISLAMIC BANK BERHAD
(Company No. 680329-V) in the
presence of:



By its Attorney

THE CUSTOMER

Signed by

(NRIC No. ●)
in the presence of:



SCHEDULE 8

(which shall be taken and construed as an integral part of this Agreement)

EQUITY HOME FINANCING-i TERMS AND CONDITIONS

These Equity Home Financing-i Terms and Conditions (as defined herein) are in relation to the Equity Home Financing-i Facility (as defined herein) involving the following parties:

- (A) **RHB ISLAMIC BANK BERHAD** (Company No. 680329-V), a company incorporated in Malaysia under the Companies Act, 1965 and having, at present, a registered and business address respectively as set out in Item 2 of Annexure A herein ("**Bank**") of the one part; and
- (B) the person whose name, description and present address as set out in Item 1 of Annexure A herein ("**Customer**") of the other part.

The Bank has agreed to participate in the Equity Home Financing-i Facility (as defined herein) upon the terms and subject to these Equity Home Financing-i Terms and Conditions.

1 Definitions and Interpretations**1.1 Definitions**

In these Terms and Conditions (as defined herein), each of the following expressions has, except where the context otherwise requires, the meanings shown opposite it:

Account	means an account to be opened by the Customer with the Bank on or before the execution date of the Musharakah Agreement and the Ijarah Agreement for the purposes of making the following payments: (i) Musharakah Unit(s) Payment; and (ii) Ijarah Payment;
Business Day	means a day (other than Saturday, Sunday or a public holiday) on which banks and other financial institutions licensed under the Islamic Banking Act, 1983 are open for business in Kuala Lumpur;
Charge	means the legal charge created under the National Land Code, the Sarawak Land Code or the Sabah Land Ordinance (in form and substance acceptable to the Bank) over the Property executed or to be executed by the Customer/registered owner of the Property* in favour of the Bank and includes any amendment(s) or variation(s) thereof and addition(s) thereto from time to time executed supplemental thereto or in substitution

	thereof;
Deed of Assignment (by way of security)	means the assignment created (in form and substance acceptable to the Bank) over the Property, executed or to be executed by the Customer/beneficial owner of the Property* in favour of the Bank, pending issuance of separate individual title to the Property, to secure the Customer's payment obligations under the Musharakah Agreement and the Ijarah Agreement and includes any amendment(s) or variation(s) thereof and addition(s) thereto from time to time executed supplemental thereto or in substitution thereof;
Event of Default	means any event specified in clause 13.1 herein or any event or circumstance 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 clause 13.1 herein;
Equity Home Financing-i Facility	means collectively: (i) the Musharakah between the Bank and the Customer pursuant to the Musharakah Agreement, and (ii) the Ijarah between the Bank and the Customer pursuant to the Ijarah Agreement;
Equity Home Financing-i Facility Tenure	means the tenure for the Equity Home Financing-i Facility as set out in Item 9 of Annexure A herein;
Equity Home Financing-i Terms and Conditions or these Terms and Conditions	means these Equity Home Financing-i terms and conditions which lays out the terms and conditions of the Equity Home Financing-i Facility and links the Transaction Documents and includes any amendments, variations and/or supplementals made or entered into from time to time;
Forward Ijarah Payments	means the forward Ijarah Payments that are required to be paid by the Customer to the Bank upon the acquisition of the Property by the Musharakah in which the forward Ijarah payments shall be paid before the commencement period of construction (where applicable) and during the period of construction in respect of the Property for future Ijarah periods;
Ijarah	refers to the lease of the Bank's stake in the Property (as lessor) to the Customer (as lessee) under the Ijarah Agreement;

Ijarah Agreement	means the Ijarah agreement between the Bank and the Customer relating to the lease of the Bank's stake in the Property to the Customer under the Shariah principle of Ijarah and includes any amendments, variations and/or supplementals made or entered into from time to time;
Ijarah Payment	means the amount of money that is required to be paid by the Customer to the Bank on a monthly basis for the lease of the Bank's stake in the Property pursuant to the Ijarah Agreement;
Islamic Money Market Rate	means the daily weighted average rate of interbank investments and interbank trading of Islamic financial instruments at the Islamic Interbank Money Market in Kuala Lumpur;
Letter of Consent	means the letter of consent in relation to the consent granted or to be granted by the third party(ies), authorizing the Customer to do all things deemed necessary relating to the Equity Home Financing-i Facility on his/her behalf to facilitate the ownership of the Property, to the Customer and includes any amendments, variations and/or supplementals made or entered into from time to time;
Letter of Hibah	means the letter of hibah (gift) issued by the owner(s)/co-owner(s) of the Property in favour of the Customer giving to the Customer the whole of the owner(s)/co-owner(s) undivided share(s) in the Property in order to facilitate the Customer's ownership of the Property for the purpose of facilitating the Equity Home Financing-i Facility and includes any amendments, variations and/or supplementals made or issued from time to time;
Letter of Offer	means the letter of offer as set out in Item 3 of Annexure A herein issued by the Bank in favour of the Customer, which letter has been duly accepted by the Customer and includes any amendment(s) or variation(s) thereof and addition(s) thereto from time to time executed supplemental thereto or in substitution thereof;
Liability Reducing Term Takaful/ Takaful Mortgage Plan	means the liability reducing term takaful/takaful mortgage plan policy in relation to the Property which provides coverage to the Customer in the instances where the Customer is unable to make its payment obligations under the Equity Home Financing-i Facility, usually, in instances of death or permanent disablement;

Limited Declaration of Trust	means the limited declaration of trust by the Customer/registered owner of the Property* relating to the declaration by the Customer/registered owner of the Property* that the Customer/registered owner of the Property* is holding the legal title to the Property for and on behalf of the Musharakah for the purpose of facilitating the Equity Home Financing-i Facility and includes any amendments, variations and/or supplementals made or entered into from time to time;
Major Maintenance	means other types of maintenance in respect of the Bank's stake in the Property which is not related to the Ordinary Maintenance and may include the payment of such costs as set out in Item 8 of Schedule 1 of the Ijarah Agreement;
Material Adverse Effect	<p>means in relation to an event or circumstance, the occurrence or effect of which (in the opinion of the Bank) is or might be likely to have a material effect on:</p> <ul style="list-style-type: none"> (i) the financial condition of the Customer; or (ii) the Customer's ability to perform its obligations under any provision of these Terms and Conditions and the Transaction Documents, <p>and references in these Terms and Conditions to an event or circumstance which "has" or which "would have" a Material Adverse Effect shall be construed accordingly;</p>
Musharakah	means the joint venture entered into between the Bank and the Customer in which the Bank and the Customer contribute to the capital of the Musharakah (whether in cash or in kind) to facilitate the ownership of the Property and the gradual purchase by the Customer of the Bank's stake in the Musharakah throughout the duration of the Equity Home Financing-i Facility based on the Shariah principle of Musharakah Mutanaqisah;
Musharakah Agreement	means the Musharakah Agreement between the Bank and the Customer relating to the Bank and the Customer's respective contribution to the Musharakah which is established under the Shariah principle of Musharakah, for the purpose of facilitating the ownership of the Property and includes any amendments, variations and/or supplementals made or entered into from time to time;
Musharakah	means the Shariah principle relating to joint venture between two or more parties who contribute capital

Mutanaqisah	either in the form of cash or in kind for the purpose of financing a business venture or investment and over a period of time, the joint venture between the parties concludes by virtue of the gradual purchase by a party in the joint venture of the other parties' stake in the joint venture throughout the duration of the joint venture;
Musharakah Units	means the respective units and/or any fraction thereof in the Musharakah representing the total capital contribution of the Bank and the Customer in the Musharakah (whether in cash or in kind) and references to "Musharakah Unit" includes references to any one and/or a fraction thereof;
Musharakah Unit(s) Payment	means the amount of money that is required to be paid by the Customer to the Bank on a monthly basis pursuant to the Musharakah Agreement, for the purchase of the Musharakah Unit(s) owned by the Bank in the Musharakah;
National Land Code	means the National Land Code 1965 of Malaysia and includes any modification and re-enactment thereof;
Ordinary Maintenance	means the day to day usage and normal wear and tear in respect of the Bank's stake in the Property by the Customer as lessee pursuant to the Ijarah Agreement which shall include but not limited to all repairs, replacements, acts and maintenance and upkeep works required for the general usage and operation of the Property and to keep, repair, maintain and preserve the Property in good order and condition, and in compliance with such maintenance, repair and upkeep standards and procedures generally expected in the ordinary course of business and may include the payment of such costs as set out in Item 9 of Schedule 1 of the Ijarah Agreement;
Outstanding Amounts	means the aggregate of the following payments: <ul style="list-style-type: none"> (i) the payments due and payable by the Customer pursuant to the Musharakah Agreement; (ii) the payments due and payable by the Customer pursuant to the Ijarah Agreement; (iii) the payments due and payable by the Customer pursuant to the Purchase Undertaking; (if any) which the Bank determines to be outstanding at any particular time and/or any part thereof, as well as all other monies whatsoever including but not

limited to fees, charges, damages and expenses that are due and payable by the Customer to the Bank under the Transaction Documents

Property	means the property as set out in Item 6 of Annexure A herein and includes all fixtures and buildings erected or to be erected thereon or affixed or to be affixed thereto;
Purchase Undertaking	means the undertaking executed by the Customer, in favour of the Bank relating to the Customer's undertaking to purchase the Musharakah Units owned by the Bank in the Musharakah and includes any amendment(s) or variation(s) thereof and addition(s) thereto from time to time executed in supplemental thereto or in substitution thereof;
Ringgit Malaysia & RM	means the lawful currency of Malaysia; at any time,
Sabah Land Ordinance	means the Sabah Land Ordinance (Cap. 68) of Malaysia and includes any modification and re-enactment thereof;
Sale and Purchase Agreement	means the sale and purchase agreement entered into and executed between the Vendor and the Customer/Customer together with the third party(ies)* for the purchase of the Property and/or for the purchase of land in respect of the Property and/or for the construction of the Property and/or for any other purpose whatsoever in relation to the Property with the details as set out in Item 6 of Schedule 1 of the Musharakah Agreement and includes any amendments, variations and/or supplementals made or entered into from time to time;
Sarawak Land Code	means the Sarawak Land Code Chapter 81 (1985 Edition) of Malaysia and includes any modification and re-enactment thereof;
Security Interest	means any mortgage, debenture (whether fixed or floating), charge, pledge, lien, assignment, hypothecation, right of set-off, trust arrangement or any encumbrance, security interest, deferred purchase, title retention, leasing, sale and repurchase or other similar arrangements, whatsoever or howsoever created or arising;
Service Agreement	Agency means the service agency agreement entered into and executed between the Bank and the Customer relating to the appointment of the Customer by the Bank as service agent under the Shariah principle of Wakalah in which the Customer shall assume the responsibility

to assist the Bank in carrying out and performing all Major Maintenance required for the Property and in procuring the taking out of the relevant takaful in respect of the Property for and on behalf of the Musharakah and includes any amendments, variations, additions thereto and/or supplementals made or entered into from time to time;

Shariah Principles	means the Islamic principles of banking and finance as adopted and approved by the Shariah Committee of the Bank and the Syariah Advisory Council of Bank Negara Malaysia under Section 51 of the Central Bank of Malaysia Act 2009;
Termination Notice	means a notice issued by the Bank to the Customer upon the occurrence of an Event of Default;
Transaction Documents	means these Terms and Conditions, the Letter of Hibah (if any), the Letter of Consent (if any), the Musharakah Agreement, the Purchase Undertaking, the Ijarah Agreement, the Service Agency Agreement, the Limited Declaration of Trust and the Charge (or where applicable, the Deed of Assignment (by way of security)) and any other document for the time being forming part of the Equity Home Financing-i Facility or from time to time constituting security for the obligations and liabilities of the Customer relating to the Equity Home Financing-i Facility, and references to "Transaction Document" include references to any one thereof; and
Vendor	means the party(ies) in relation to the Sale and Purchase Agreement whose name, description and present address as set out in Item 7 of Schedule 1 of the Musharakah Agreement.

1.2 Construction

Except where the context otherwise requires, any reference in these Terms and Conditions to:

- (i) an 'agreement' also includes a concession, contract, deed, franchise, licence, treaty or undertaking (in each case, whether oral or written) and includes a reference to any documents which amends, waives, is supplemental to or novates the terms thereof;
- (ii) the 'assets' of any person shall be construed as a reference to the whole or any part of its business, undertaking, property, assets and revenues (including any right to receive revenues);

- (iii) a 'consent' also includes an approval, authorisations, exemption, filing, licence, order, permission, permit, recording or registration (and reference to obtaining consent shall be construed accordingly);
- (iv) 'day' or 'year' shall be construed by reference to the Gregorian calendar;
- (v) a 'directive' includes any present or future directive, policy, regulation, request, requirement or voluntary credit restraint programme (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 the general practice of persons to whom the directive is addressed);
- (vi) 'disposal' includes any sale, assignment, exchange, transfer, concession, loan, lease surrender of lease, licence, reservation, waiver, compromise, release, security, dealing with or the granting of any option or right or interest whatsoever or any agreement for any of the same and 'dispose' means to make a disposal, and 'acquisition' and 'acquire' shall be construed with such necessary changes having been made;
- (vii) the 'dissolution' of a person includes the bankruptcy or liquidation of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is domiciled or resident or carries on business or has assets;
- (viii) a 'guarantee' also includes any other obligation (whatever called) of any person to pay, purchase, provide funds (whether by way of the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment of, indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any other person;
- (ix) 'indebtedness' includes any obligation (whether present or future, actual or contingent, secured or unsecured, as principal or surety or otherwise) for the payment or payment of money;
- (x) a 'law' includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in each case of any jurisdiction whatsoever (and 'lawful' and 'unlawful' shall be construed accordingly);
- (xi) 'month' means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it commences or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and 'months' and 'monthly' shall be construed accordingly;

- (xii) any 'obligation' of any party under these Terms and Conditions, or the other Transaction Documents shall be construed as a reference to an obligation expressed to be assumed by or imposed on it under these Terms and Conditions or, as the case may be, such Transaction Documents (and 'due', 'owing', 'payable', 'receivable' shall be similarly construed);
- (xiii) a 'person' includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state (in each case, whether or not having separate legal personality) or any country or state or any political sub-division, possession or territory thereof or therein or the government or any bureau, minister, instrument, agency, instrumentality, court, regulatory body, authority, legislative body or department thereof (including, without limitation, the central bank or any taxing, fiscal or other monetary authority thereof) and reference to a person or party includes that person's or party's successors and, in the case of any person other than the Customer, its permitted assigns;
- (xiv) 'security' includes any mortgage, pledge, lien, assignment, hypothecation, security interests, trust arrangement or other charge or encumbrance and any deferred purchase, title retention, leasing, sale-and-repurchase or other similar arrangements which have the effect of conferring security;
- (xv) 'subsidiary' has the meaning ascribed to it in Section 5 of the Companies Act, 1965;
- (xvi) 'tax(es)' includes any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed and includes, but is not limited to, any fine, penalty, charge, fee or other amount imposed on or in respect of any of the above; and
- (xvii) in relation to any 'consent' to be obtained pursuant to these Terms and Conditions and/or Transaction Documents by the Customer from any party, such consent shall be dealt with promptly and shall not be unreasonably withheld by such party.

1.3 Interpretation

- (i) The headings in these Terms and Conditions are inserted for convenience only and shall not be taken, read and construed as essential parts of these Terms and Conditions.
- (ii) References to clauses or schedules are to be construed as references to the clauses or schedules of these Terms and Conditions.

- (iii) All references to provisions of any legislation or statute include references to any amendments, any statutory modification and re-enactment thereof or regulations proclamations, by-laws, published rulings, statements of policy or guidelines issued under or in relation to that statute.
- (iv) References to these Terms and Conditions shall include all amendments and modifications to these Terms and Conditions as shall from time to time be in force.
- (v) A reference to a document includes any amendment or supplement to, or replacement or novation of that document.
- (vi) Words importing the singular number shall include the plural number and *vice versa*.
- (vii) Words importing the masculine gender shall include the feminine and neuter gender and *vice versa*.
- (viii) The 'Bank' or the 'Customer' shall be construed so as to include its and any subsequent successors and permitted assigns in accordance with their respective interests.
- (ix) Where two or more persons or parties are included or comprised in any expression, agreements, covenants, terms, stipulations and undertakings expressed to be made by or on the part of such persons or parties shall be deemed to be made by and be binding upon such persons or parties jointly and severally with the exception of their respective commitments.
- (x) A reference to 'date' or 'time' is a reference to that date or time in Kuala Lumpur, Malaysia.
- (xi) Any reference to 'law of Malaysia' shall be construed so as to include, without limitation, any act, ordinance, statutory or municipal, rule, regulation, ruling, decree, or order enacted, issued or decreed by the Parliament of Malaysia or any bureau, minister, instrument, agency, court, regulatory body, authority, legislative body or department thereof (including, without limitation, Bank Negara Malaysia or any taxing, fiscal or other monetary authority thereof) and Islamic law as administered by the courts of Malaysia.
- (xii) Other parts of speech and grammatical forms of a word or phrase defined in these Terms and Conditions have a corresponding meaning.

2 Conditions Precedent

The Customer shall comply with the conditions precedent set out in Annexure B herein before any payment in relation to the purchase of the Property pursuant to

the Sale and Purchase Agreement is made by the Bank, on behalf of and pursuant to the Musharakah, to the Vendor or any other party(ies) relating thereto. The terms and conditions set out in Annexure B herein may be waived or amended by the Bank in whole or in part with or without terms and conditions. For the avoidance of doubt, this shall not prejudice the right of the Bank to assert such terms and conditions in whole or in part in the future.

3 Musharakah Arrangement

- (i) Subject to the terms and conditions as set out in the Musharakah Agreement, the Bank and the Customer hereby agree to enter into a joint venture or Musharakah which is established based on the Shariah principle of Musharakah Mutanaqisah.
- (ii) The Bank and the Customer hereby agree that the joint venture or Musharakah is established to facilitate the ownership of the Property.
- (iii) The Bank and the Customer further agree that in relation to the Musharakah, the Bank shall contribute the maximum aggregate amount as set out in Item 4 of Annexure A herein and the Customer shall contribute the maximum aggregate amount as set out in Item 5 of Annexure A herein subject to the terms and conditions as set out in the Musharakah Agreement.

4 Purchase Undertaking

Save for the circumstances as set out under clause 7.4 (i)(b) hereof, subsequent to the execution of the Musharakah Agreement and the acquisition of the Property by the Musharakah, the Customer undertakes to buy the Musharakah Units owned by the Bank subject to the terms and conditions as set out in the Purchase Undertaking.

5 Limited Declaration of Trust

Subject to the issuance of title to the Property in favour of the Customer/registered owner of the Property*, the Customer agrees that the Customer shall make a declaration/procure the registered owner of the Property to make a declaration* stipulating that the Customer/registered owner of the Property* is holding the legal title to the Property for and on behalf of the Musharakah for the purpose of facilitating the Equity Home Financing-i Facility subject to the terms and conditions as set out in the Limited Declaration of Trust.

6 Ijarah Arrangement

Subsequent to the execution of the Musharakah Agreement and the acquisition of the Property by the Musharakah, and subject to the terms and conditions as set out in the Ijarah Agreement, the Bank and the Customer agree that the Bank shall lease its stake in the Property to the Customer based on the Shariah principle of Ijarah.

7 Property

7.1 Title in Property

- (i) The Bank and the Customer herein agree that:
 - (a) as from the date of the Musharakah Agreement and upon the acquisition of the Property:
 - (A) in the event that the individual document of title in respect of the Property has yet to be issued by the appropriate authority, the beneficial ownership in and/or rights to the Property shall vest in the name of the Customer/registered owner of the Property* and the Customer/registered owner of the Property* shall hold the Property as bare trustee for and on behalf of the Musharakah; or,
 - (B) in the event that the individual document of title in respect of the Property has been issued by the appropriate authority, the legal title in the Property shall vest in the name of the Customer/registered owner of the Property* and the Customer/registered owner of the Property* shall hold the Property as bare trustee for and on behalf of the Musharakah;
 - (b) the Customer/registered owner of the Property* will do or cause to be done everything necessary to ensure the Bank's rights and interests in and to the Property pursuant to the Musharakah are not jeopardised in any manner whatsoever unless and until the whole of the Musharakah Units owned by the Bank in the Musharakah are purchased by the Customer and all Outstanding Amounts in respect of the Equity Home Financing-i Facility are paid by the Customer in full; and
 - (c) in the event of gradual purchase by the Customer of the Musharakah Units owned by the Bank in the Musharakah (regardless whether such gradual purchase is made by way of regular Musharakah Unit(s) Payment or by way of additional Musharakah Unit(s) Payment made by the Customer pursuant to clause 3.2 of the Musharakah Agreement), the Customer/registered owner of the Property* shall be the bare trustee of the part of the Property for and on behalf of the Bank based on the remaining Musharakah Units owned by the Bank in the Musharakah.

- (ii) Notwithstanding the above, at the commencement of the Musharakah, the beneficial title in the Property shall vest in the Bank and the Customer based on their respective capital contribution as detailed in the Musharakah Agreement.

7.2 Purchase of Musharakah Units and Transfer of Beneficial Ownership in the Property

Pursuant to the Customer making the Musharakah Unit(s) Payment, the Bank and the Customer agree that the Bank's Musharakah Units will be gradually transferred to the Customer which would effectively transfer the beneficial ownership in the Property to the Customer to the extent of such Musharakah Units being transferred. For the avoidance of doubt, the Bank and the Customer hereby agree that at the end of the Musharakah, the Customer would have acquired all the Musharakah Units owned by the Bank and effectively, the Customer would have acquired the entire ownership of the Musharakah and the Property.

7.3 Responsibilities

- (i) The Bank and the Customer agree that the responsibilities with respect to the Property shall be as follows:
 - (a) the Customer shall, upon the acquisition of the Property by the Musharakah and before the commencement period of construction (where applicable) and during the construction period in respect of the Property, be the agent of the Bank to liaise with the Vendor to ensure the completion of the construction in respect of the Property;
 - (b) the Customer shall at its own cost and expense, be responsible for the performance of all Ordinary Maintenance required for the Property; and
 - (c) the Customer shall be responsible to assist the Bank in carrying out and performing all Major Maintenance required for the Property for and on behalf of the Musharakah subject to the terms and conditions of the Service Agency Agreement.
- (ii) The Bank and the Customer agree that the Customer shall represent and/or undertake to the Bank relating to the performance of the Vendor in completing the construction in respect of the Property.

7.4 Abandonment of Property

- (i) Subject to clause 7.4 (ii) herein, in the event that there is no construction activities on the Property as per the relevant schedule in the Sale and Purchase Agreement or subsequent to the execution of the Sale and Purchase Agreement (where applicable) for a continuous period of twelve (12) months or the architect certificate in relation to the completed work on the Property could not be issued for a continuous period of twelve (12) months from the completion of the relevant stages in respect of the Property and/or the sale of land in respect of the Property to the Customer could not be completed by the Vendor as per the terms and conditions of the Sale and

Purchase Agreement, the Bank will deem or declare that the construction in respect of the Property is abandoned by the Vendor and/or the sale of land in respect of the Property to the Customer could not be completed by the Vendor (the “**Abandonment Event**”). For the avoidance of doubt, notwithstanding the twelve (12) months period, the Bank could also deem/has a right to deem for an Abandonment Event if the Bank is of the view that there is no construction activities on the Property at any point in time/the architect certificate could not be obtained and/or the sale of land in respect of the Property to the Customer could not be completed by the Vendor. Pursuant to the Abandonment Event:

- (a) any loss incurred arising from such Abandonment Event will be shared by the Customer and the Bank in accordance with each party’s contribution to the Musharakah respectively; and
 - (b) following the Abandonment Event, the provisions as set out in clause 8 of the Purchase Undertaking shall be invoked by the Bank.
- (ii) For the avoidance of doubt, notwithstanding the terms on the effect of the Events of Default as provided in clause 13.1 herein, upon the occurrence of the Abandonment Event, the Customer shall, pursuant to its failure to undertake its responsibilities to the Bank with respect to the Property as set out in clauses 7.3 (i)(a) and (ii) herein, pay to the Bank based on the following formulae:

Disbursed Amount + Outstanding Forward Ijarah Payments

where

Disbursed Amount = the total amount of the Equity Home Financing-i Facility as duly disbursed by the Bank to the Customer up to the Abandonment Event.

Outstanding Forward Ijarah Payments = the outstanding Forward Ijarah Payments due and payable by the Customer to the Bank up to the Abandonment Event (if any).

- (iii) For the avoidance of doubt, pursuant to the Abandonment Event, any Forward Ijarah Payments paid to the Bank shall be returned to the Customer. However, the Bank shall be entitled to set off the actual funding costs incurred by the Bank in relation to the provision of the Equity Home Financing-i Facility to the Customer comprising the total of the prevailing funding rate, liquidity reserve, statutory reserve requirement and administrative cost less return on liquid assets from the Forward Ijarah Payments due to be returned to the Customer.

7.5 Legal Recourse against the Vendor

- (i) In the event that the construction in respect of the Property is abandoned and/or not completed in time arising to an action for late delivery and/or the sale of land in respect of the Property to the Customer could not be completed by the Vendor, the Customer shall be entitled to file claim or legal action against the Vendor on behalf of the Musharakah provided that prior written consent in relation to such claim is obtained from the Bank, subject to the provisions of the Deed of Assignment (by way of security) executed by the Customer, and where applicable, the beneficial owner, in favour of the Bank.
- (ii) Where damages has been awarded by the court or the relevant tribunal in favour of the Bank pursuant to the legal recourse filed by the Bank on behalf of the Musharakah, such damages shall be shared between the Customer and the Bank in proportion to their respective contributions into the Musharakah.

8 Transaction Documents

8.1 Documentation

In consideration of the Bank and the Customer participating in the Equity Home Financing-i Facility and as security for the Customer's payment obligation therein, the Bank and the Customer agree that they shall hereinafter execute the Equity Home Financing-i Facility documents as set out in Item 10 of Annexure A herein.

8.2 Continuing security

- (i) The security herein provided is expressly intended to be and shall be a continuing security for all monies whatsoever now or hereafter and from time to time owing to the Bank by the Customer whether alone or jointly and severally with another or others and whether as principal or surety notwithstanding that the Customer may at any time cease to be indebted to the Bank for any period or periods;
- (ii) The Transaction Documents shall be without prejudice to any security already given by the Customer to the Bank or any security which may hereafter be given to the Bank whether the same be for securing the payment of the Outstanding Amounts or any other monies covenanted to be paid herein or whether it is taken as additional or collateral security otherwise howsoever.

8.3 Covenant to substitute or provide further security

- (i) The Customer shall at any time and when required by the Bank so to do, execute in favour of the Bank such legal or other mortgages, charges, assignment, transfers or agreements to substitute any existing security or to provide any further security in addition thereto as they shall require of on any of the Customer's estate, right, title and interest in any property or

assets or business now belonging to or which may hereafter be acquired by or belong to the Customer which is of the same value as the existing security and the benefit of all licences held in connection therewith to secure all moneys hereby covenanted to be paid under the Equity Home Financing-i Facility, such charges, assignments, transfers or agreements to be prepared by or on behalf of the Bank at the cost of the Customer and to contain all such terms and conditions in favour of the Bank as the Bank may reasonably require.

- (ii) The Customer shall at any time if and when reasonably required by the Bank and at the cost and expense of the Customer so to do deposit with the Bank the document(s) of title of any or all immovable properties vested in the Customer which is of the same value as the existing security for any tenure and all or any debenture, shares, stocks or other investments or securities registered in the name of the Customer or otherwise belonging to the Customer which is of the same value as the existing security referred to in (a) above. Such deposit may be by way of collateral security for the payment of moneys and liabilities hereby secured and may also or otherwise be for the purpose of securing any other moneys owing to the Bank and not secured hereby.

9 Representations and Warranties

9.1 By the Customer

The Customer acknowledges that the Bank has entered into the Transaction Documents in full reliance on representations by the Customer in the following terms, and the Customer now warrants to the Bank that:

- (i) **Status**
The Customer is a Malaysian citizen and is of full age and of sound mind.
- (ii) **Powers and authorisations**
The Customer is not an undischarged bankrupt and has not committed any act of bankruptcy and no bankruptcy petition has been presented against the Customer and the Customer has the power to execute, deliver and perform the transactions contemplated in the Transaction Documents to which he is a party; and the Transaction Documents constitute valid, binding and unconditional obligations of the Customer enforceable in accordance with their respective terms.
- (iii) **Non-violation**
Neither the execution and delivery of the Transaction Documents nor the performance of any of the transactions contemplated therein does or will contravene or constitute a default under, or cause to be exceeded any limitation on the Customer, or the powers of the Customer imposed by or contained in, (a) any law by which the Customer or any of his assets are

bound or affected, or (b) any agreement to which the Customer is a party or by which his assets are bound.

(iv) **Consents**

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 or the rights of the Bank under the Transaction Documents other than the payment of stamp duty in Malaysia.

(v) **No default**

No event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute a contravention of, or default under, any agreement or instrument by which the Customer or any of his assets is bound or affected being a contravention or default which might either have a Material Adverse Effect on the assets or financial condition of the Customer or materially and adversely affect his ability to observe or perform his respective obligations under the Transaction Documents when executed.

(vi) **Litigation**

No litigation, arbitration or administrative proceeding or claim which might by itself or together with any other such proceedings or claims either have a material effect on the Customer's assets or condition or materially affect his ability to observe or perform his respective obligations under the Transaction Documents, is presently in progress or pending or, to the best of the knowledge, information and belief of the Customer, threatened against the Customer or any of his assets, save for what has been previously disclosed by the Customer.

(vii) **Change in the Customer**

Since the date the Customer agreed to participate in the Equity Home Financing-i Facility there has been no material alterations or changes in the condition or other affairs of the Customer which could or might have a Material Adverse Effect on the ability of the Customer to perform its payment obligations under the Transaction Documents to which the Customer is a party.

(viii) **Information**

The information furnished by the Customer in connection with the participation in the Equity Home Financing-i Facility do not contain any untrue statements or omit to state any fact the omission of which makes the statements therein, in the light of the circumstances under which they were made, misleading in any material adverse respect, and all expressions of expectation, intention, belief and opinion contained therein were honestly

made on reasonable grounds after due and careful enquiry by the Customer.

(ix) **No security**

Save and except for Security Interest created prior to the date of execution of the Transaction Documents and disclosed by the Customer to the Bank (if any), none of the assets of the Customer is affected by any Security Interest, and the Customer is not a party to, nor is he or any of his assets bound by, any order, agreement or instrument under which the Customer is, or in certain events may be, required to create, assume or permit to arise any Security Interest (other than the Security Interest created pursuant to the Transaction Documents).

(x) **Tax Liabilities**

All necessary returns have been delivered by or on behalf of the Customer to the relevant taxation authorities and the Customer is not in default in the payment of any taxes of a material amount.

(xi) **Information**

All information furnished by the Customer in connection with the Transaction Documents do 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 contained therein were honestly made on reasonable grounds after due and careful inquiry by the Customer and the Customer is not aware of any material facts or circumstances that have not been disclosed to the Bank which might, if disclosed, adversely affect the decision of a person considering whether or not to participate in the Equity Home Financing-i Facility.

(xii) **Disclosure**

The Customer has fully disclosed to the Bank all facts relating to the Customer which the Customer should reasonably know and which are material for disclosure to the Bank in the context of the Transaction Documents to which the Customer is a party and the information (be it in writing or otherwise) furnished by the Customer in connection with the Transaction Documents to which the Customer is a party does not contain any untrue statement or omit to state any material fact the omission of which makes the statements therein, in the light of the circumstances under which they were made, misleading in a material adverse respect, and all expressions, intention, belief and opinion contained therein were honestly and carefully made on reasonable grounds.

(xiii) **Lawsuits**

No lawsuits by a governmental agency, body or other regulatory authority are pending or to be instituted against the Customer which will adversely affect the ability of the Customer to discharge his respective obligations under the Transaction Documents.

- (xiv) **No Immunity**
The Customer is subject to civil and commercial law with regard to his obligations under the Transaction Documents and the execution, delivery and performance of the Transaction Documents constitute private and commercial acts rather than governmental or public acts and the Customer or any of his assets do not enjoy any immunity on the grounds of sovereignty or otherwise in respect of his obligations under the Transaction Documents.
- (xv) **Bankruptcy**
The Customer has not committed any act of bankruptcy.
- (xvi) **Event of Default**
No Event of Default has occurred and/or is continuing.

9.2 By the Bank

The Bank acknowledges that the Customer has entered into the Transaction Documents in full reliance on representations by the Bank in the following terms, and the Bank now warrants to the Customer that:

- (i) **Status**
The Bank is a company duly organised and validly existing under the laws of its country of incorporation.
- (ii) **Powers and authorisations**
The Bank has the power to enter into and perform its obligations under these Terms and Conditions and each of the other documents referred to in these Terms and Conditions to which it is a party, and these Terms and Conditions and each of the other documents referred to in these Terms and Conditions to which it is a party constitute valid, binding and unconditional obligations of the Bank enforceable in accordance with their respective terms.
- (iii) **Non-violation**
Neither the execution and delivery of the Transaction Documents and each of the other documents referred to in these Terms and Conditions to which it is a party, nor the performance of any of the transactions contemplated therein does or will contravene or constitute a default under, or cause to be exceeded any limitation on the Bank, or the powers of the Bank imposed by or contained in, (a) any law by which the Bank or any of its assets are bound or affected, (b) its memorandum and articles of association or other applicable constitutional documents or (c) any other agreement, instrument or undertaking binding upon it.

9.3 Continuing Nature of Representations and Warranties

The representations and warranties set out in clause 9.1 and 9.2 herein shall survive the signing and delivery of the Transaction Documents and the Bank and the Customer shall be deemed to represent and warrant to each other that the representations and warranties set out in clause 9.1 and 9.2, respectively are true

and correct in all respects and will continue to be so for as long as the Equity Home Financing-i Facility still exists.

10 Undertakings

10.1 Affirmative Undertakings

The Customer undertakes and agrees with the Bank that the following matters for so long as the Equity Home Financing-i Facility exists under the Transaction Documents:

(i) **Ranking**

The liabilities for payment of the Customer under the Transaction Documents rank and will rank in priority above all his other unsecured and unsubordinated liabilities for payment (both actual and contingent) except:

- (a) liabilities for payment 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 for payment which are preferred solely by law and not by reason of any Security Interest; and
- (c) any Security Interest created or to be created by the Customer which has been disclosed by the Customer to the Bank prior to the date of the Transaction Documents hereof.

(ii) **Authorisations**

The Customer will:

- (a) maintain in full force and effect all relevant authorisations (governmental and otherwise) and will promptly obtain any further authorisations which may become necessary to enable it to own its assets, carry on its business and perform its obligations under, and any of the transactions contemplated by the Transaction Documents and pay all taxes levied on the Customer by the due date thereof; and
- (b) timeously carry out any registration, filing or notarisation of the Transaction Documents, pay any duty or tax and take any action whatsoever which may be necessary or desirable to ensure the legality, validity or enforceability in Malaysia of the liabilities and obligations of the Customer or the rights of the Bank under the Transaction Documents in accordance with their terms.

(iii) **Consents**

The Customer shall obtain and promptly renew or cause and procure the attainment and renewal, from time to time, and will promptly deliver to the Bank 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 obligations of the Customer or the rights of the Bank under the Transaction Documents and the Customer shall comply and/or procure compliance with the terms of the same.

(iv) **Default**

If the Customer becomes aware of the occurrence of an Event of Default, he shall forthwith notify the Bank and provide the Bank with full details of any steps which he 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.

(v) **Notice**

The Customer shall promptly notify the Bank in writing immediately of the occurrence of any of the following:

- (a) any material adverse change in the condition (financial or otherwise) of the Customer;
- (b) any breach of any undertakings, provision or covenant contained in the Transaction Documents;
- (c) any circumstances that have occurred or any other matters that may, materially prejudice the Customer, any Security Interest created by any of the Transaction Documents or the interests of the Bank or the ability of the Customer to perform any of its respective obligations under any of the Transaction Documents;
- (d) any litigation, investigation or proceeding which may exist at any time between the Customer and any governmental authority which in either case, if adversely determined, could have an adverse effect on the operations, assets, business or financial or other condition of the Customer; and
- (e) any litigation, investigation or other proceedings of any nature whatsoever being threatened or initiated against the Customer before any court, tribunal or administrative agency which in either case, if adversely determined, could have an adverse effect on the Property or financial condition of the Customer.

Each notice pursuant to this sub-clause shall be accompanied by a statement from the Customer setting forth details of the occurrence referred to therein and stating what action the Customer proposes to take with respect thereto (together with the amount of any contingent liability if such amount is ascertainable).

(vi) **Indebtedness**

The Customer shall punctually pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, the Outstanding Amounts.

- (vii) **Obligations**
The Customer will timeously perform and carry out any and all of its obligations under the Transaction Documents.
- (viii) **Information**
The Customer shall forthwith furnish the Bank with such financial and other information as may be reasonably required by the Bank from time to time.
- (ix) **Account**
The Customer shall maintain the Account with the Bank throughout the tenure of the Equity Home Financing-i Facility.

10.2 Negative Undertakings

The Customer undertakes and agrees with the Bank that so long as the Equity Home Financing-i Facility exists under the Transaction Documents, he shall not, without the prior written consent of the Bank:

- (i) **Negative Pledge**
Create or permit to subsist any Security Interest on the Property or any part thereof or all or any part of the Property or any other asset or property (if any) which is offered as security to the Bank from time to time, except any Security Interest which may be consented to by the Bank in writing from time to time; and
- (ii) **Disposal of Property**
Sell, transfer or lease or otherwise dispose of the Property or in any case cease to exercise control over, whether by a single transaction or a number of transactions, all or a substantial part of the Property.

11 Changes in Circumstances

11.1 Illegality

If by reason of any change after the date of the Transaction Documents in applicable law, regulation or regulatory requirement or in the interpretation or application thereof by any governmental or other authority charged with the administration thereof whereby it becomes unlawful for the Bank to comply with its obligations thereunder or to continue to allow all or part of its participation in the Musharakah (or any part thereof) to remain outstanding or to carry out all or any of its obligations under the Transaction Documents:

- (i) the Bank shall notify the Customer and the Equity Home Financing-i Facility shall end based on the relevant terms and conditions of the Transaction Documents (where applicable); and
- (ii) the Customer shall, upon being so notified, pay to the Bank the Outstanding Amounts and any other sum then due from the Customer to the Bank under the Transaction Documents on such date as the Bank shall certify to be

necessary to comply with the relevant law, order, regulation, rule or directive.

11.2 Increased costs

Where the Bank determines that, as a result of the introduction, imposition or variation of any law, order, regulation or official directive (whether or not having the force of law) or any change in the interpretation or application of any law, or compliance with any request (whether or not having the force of law) from any central bank or other fiscal, monetary, insurance or other authority or agency (including, without limitation, one which):

- (i) imposes, modifies or deems applicable any reserve, deposit or similar requirement against any assets held by, or deposits with, in or for the account of, or facilities by the Bank; or
- (ii) subjects the Bank to any tax with respect to or changes the basis of taxation in respect of any contribution made by the Bank; or
- (iii) imposes on the Bank any other condition affecting its participation in the Equity Home Financing-i Facility;

would increase the cost to the Bank of participating in the Equity Home Financing-i Facility or affect any of the Bank's rights under the Equity Home Financing-i Facility or the effective return to the Bank under the Transaction Documents is reduced or it is obliged to make any payment or forego any payment or other return on, or calculated by reference to, the amount of any sum received or receivable by it from the Customer under the Transaction Documents, then:

- (a) the Bank shall notify the Customer of the nature of the circumstances leading to its determination and use all reasonable efforts to avoid the effects of such introduction, variation or change and in particular shall consider, subject to obtaining any necessary consents, fulfilling its obligations by transferring its participation at par to one or more affiliates or other financial institutions not affected by such law, order, regulation or directive;
- (b) the Customer shall, on demand being made, pay to the Bank on such date and in such amounts as the Bank from time to time and at any time notifies the Customer to be necessary to compensate it for such increased cost, reduction, payment or foregone return; and
- (c) at any time thereafter, so long as the circumstances giving rise to the obligation to make the compensating payment continue, the Customer may by giving to the Bank not less than thirty (30) calendar days' written notice, elect to:
 - (A) end the Equity Home Financing-i Facility; and
 - (B) pay all (but not part only) the Outstanding Amounts on the expiry of the period specified in the notice to the Bank in accordance with clauses 11.3 and 11.4 herein.

11.3 Notifications

Any determination or notification by the Bank concerning any matter referred to in clause 11 herein shall, in the absence of manifest error, be conclusive evidence as to that matter and shall be binding on the Customer.

11.4 Notice Irrevocable

Where the Customer has given notice under clause 11 herein to pay to the Bank the Outstanding Amounts:

- (i) the amount of the payment shall become due and payable on the expiry of the period specified in the notice to the Bank; and
- (ii) the Equity Home Financing-i Facility shall end.

11.5 Amount

On paying the Outstanding Amounts under this clause, the Customer shall pay to the Bank all other amounts due to the Bank (including any sum payable under the indemnity contained in clause 14 herein) under or in respect of the Equity Home Financing-i Facility.

12 Payments**12.1 By the Customer**

All payments to be made to the Bank by the Customer under the Transaction Documents (where applicable) shall be made in Ringgit Malaysia on the date on which the relevant payment is due to the Account. The Customer shall not be entitled to deduct or set off any payment made from the Customer to the Bank.

12.2 Withholdings

All payments by the Customer under Transaction Documents (where applicable) 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 the Bank such additional amount so that the net amount received by the Bank 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 the Bank, within the period for payment permitted by 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.

12.3 Date

If any payment would otherwise be due on a day which is not a Business Day, it shall be due on the next succeeding Business Day or, if that Business Day falls in the following month, the preceding Business Day.

13 Events of Default

13.1 Events of Default

Upon the occurrence of any of the following events at any time:

- (i) **Non-payment**
The Customer fails to pay any amount due under the Transaction Documents on the due date or on demand, if so payable;
- (ii) **Breach of obligations**
The Customer fails to observe or perform any of his respective obligations under the Transaction Documents or under any undertaking or arrangement entered into in connection therewith, other than an obligation of the type referred to in clause 13.1(i) herein and, in the case of a failure capable of being remedied (as determined by the Bank at its absolute discretion), the Bank determines, upon the expiry of fourteen (14) days after the Customer became aware of the failure, that it has not been remedied to the Bank's satisfaction;
- (iii) **Misrepresentation**
Any representation, warranty or statement which is made (or acknowledged to have been made) by the Customer in the Transaction Documents or which is contained in any other document, certificate, statement, legal opinion or notice provided under or in pursuance to the terms of the Transaction Documents or in connection therewith proves to be incorrect in any material respect, or if repeated at any time with reference to the facts and circumstances subsisting at such time would not be accurate in all material respects;
- (iv) **Cross-default**
Any indebtedness of the Customer becomes due or capable of being declared due before its stated maturity, any guarantee of the Customer is not discharged at maturity or when called or the Customer goes into default under, or commits a breach of, any instrument or agreement relating to any such indebtedness or guarantee or the security for any such indebtedness

becomes enforceable which materially and adversely affects the Customer's ability to observe or perform its obligations under the Transaction Documents;

- (v) **Appointment of receiver, legal process**
An encumbrancer takes possession of, or a trustee or administrative or other receiver or similar officer is appointed in respect of, all or any part of the assets of the Customer or distress, attachment 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 affect any of his assets becomes enforceable;
- (vi) **Bankruptcy of the Customer**
Any step is taken for the bankruptcy of the Customer, or a petition for bankruptcy is presented against the Customer or the Customer commits an act of bankruptcy;
- (vii) **Litigation**
Any litigation, arbitration or administrative proceedings is commenced or threatened against the Customer and which, in the opinion of the Bank, materially and adversely affects the financial position of the Customer and/or the ability of the Customer to perform its obligations under the Transaction Documents;
- (viii) **Judgment Outstanding**
the Customer shall fail to satisfy any judgment passed against the Customer by any court of competent jurisdiction and no appeal against such judgment 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 fourteen (14) days of the Customer becoming aware of the judgment;
- (ix) **Change in condition**
Any change in the operations or the condition (financial or otherwise) of the Customer which, in the sole opinion of the Bank, will materially and adversely affect the ability of the Customer or to perform any of his respective obligations under the Transaction Documents;
- (x) **Moratorium**
The Customer 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;
- (xi) **Repudiation**
The Customer repudiates or threatens to repudiate the Transaction Documents;

- (xii) **Disposal of Property**
The Customer transfers or disposes of, or threatens to transfer or dispose of the Property;
- (xiii) **Ineffective or invalid provision**
Any provision of the Transaction Documents is or becomes, for any reason, invalid or unenforceable or if any law is brought into effect which purports to render ineffective or invalid any provision of the Transaction Documents which would prevent the Customer from performing any of his obligations under any of the Transaction Documents;
- (xiv) **Licence**
Any licence, authorisation, approval, consent, order, exemption, registration, filing or notarisation referred to in clause 9.1 (iv) herein is revoked or withheld or modified or is otherwise not granted or fails to remain in full force and effect;
- (xv) **Nationalisation**
The Property and/or all or a material part of the property or assets of the Customer shall be condemned, seized or otherwise appropriated or nationalised and such situation shall remain unremedied for more than thirty (30) days, or custody or control of such property or assets shall be assumed and retained for more than thirty (30) days by any person acting or purporting to act under the authority of the government, or the Customer shall have been prevented for a period of more than thirty (30) days from exercising normal managerial control over all or any substantial part of his property or assets by any such person;
- (xvi) **Security**
In the opinion of the Bank, the Property or any security created in any of the Transaction Documents or otherwise is in jeopardy or ineffective;
- (xvii) **Death or incapacity of the Customer**
The Customer dies or becomes incapacitated or of unsound mind or becomes bankrupt or denies challenges or terminates or threatens to deny, challenge or terminate his obligations under the Transaction Documents;
- (xviii) **Litigation against the Bank**
Any legal proceedings, suit or action of any kind whatsoever (including injunction proceedings) are instituted by the Customer, or any third party (in respect of the Equity Home Financing-i Facility) against the Bank (whether or not the Bank is named as a party to the proceedings, suit or action);
- (xix) **Event or events**
Any event or events has or have occurred or a situation exists which could or might, in the sole opinion of the Bank, prejudice the ability of the Customer to perform any of his respective obligations under the Transaction

Documents in accordance with the terms hereof or thereof or render the continuation of the Equity Home Financing-i Facility detrimental to the position of the Bank or otherwise undesirable;

(xx) **Material Adverse Effect**

In the sole opinion of the Bank, there is an occurrence of an event or circumstance which has a Material Adverse Effect on the Customer;

(xxi) **Enforcement**

Any of the Transaction Documents are alleged by the Customer not to be in proper legal form for the enforcement thereof in the courts of Malaysia;

(xxii) **Unlawfulness**

It is or will become unlawful by the laws of Malaysia or by the laws of any applicable jurisdiction for the Customer to perform or comply with any one or more of his obligations under the Transaction Documents;

(xxiii) **Total loss of the Property**

Any event or events has or have occurred or a situation exists which could or might effect the Property and render the continuation of the Equity Home Financing-i Facility detrimental to the position of the Bank or otherwise undesirable;

(xxiv) **Section 25 of the Islamic Banking Act, 1983**

The Customer hereby declares that the Customer has had notice of section 25 of the Islamic Banking Act, 1983 and hereby confirms that the said section has not been infringed and also hereby undertake to advise the Bank if any of the relationship set out in the said section is established or discovered at anytime. If at anytime during the continuance of the Equity Home Financing-i Facility and the Transaction Documents related thereto, the Bank discovers that there had been an infringement of the said section or that the continuance of the Equity Home Financing-i Facility and the Transaction Documents related thereto shall be in violation of the said section, the Bank shall be entitled forthwith to exercise all of its rights contained herein;

(xxv) **Abandonment of the construction in respect of the Property**

Any event or events has or have occurred or a situation exists which relates to the abandonment of the construction in respect of the Property and in the sole opinion of the Bank render the continuation of the Equity Home Financing-i Facility detrimental to the position of the Bank or otherwise undesirable,

then, at once or at any time thereafter, the Bank shall issue a Termination Notice to the Customer, declaring that an Event of Default has occurred and simultaneously, the following terms and conditions shall immediately come into force:

- (a) in the event of the abandonment of the construction in respect of the Property as set out in clause 13.1 (xxv) above, the terms as set out in clause 7.4 herein shall apply; or

- (b) in the event of other Events of Default as set out in clause 13.1 herein, save for the event as set out in clause 13.1 (xxv) above, the terms as set out below shall apply:
- (A) in relation to the Musharakah - the Customer shall purchase all the Musharakah Units owned by the Bank;
 - (B) the Customer shall pay the amount as determined by the Bank pursuant to the Purchase Undertaking; and
 - (C) the Customer shall pay all Outstanding Amounts.

Each of paragraphs (i) to (xxv) above is to be construed independently and no one Event of Default limits the generality of any other Event of Default.

13.2 Concurrent Proceedings

Notwithstanding any provision hereof, it is hereby expressly agreed that upon default or breach by the Customer of any term, covenant, stipulation and/or undertaking herein provided and/or contained in the Transaction Documents and on the part of the Customer to be observed and performed, the Bank shall thereafter have the right to exercise all or any of the remedies available whether by the Transaction Documents or by common law statute, equity or otherwise and shall be entitled to exercise such remedies concurrently to recover all moneys due and owing to the Bank in any order of priority.

13.3 Application of Proceeds

Upon the occurrence of an Event of Default under clause 13.1 herein, all moneys and other property held or received by the Bank under any of the Transaction Documents and the proceeds of any realisation of the undertaking, property, assets, revenues and rights of the Customer mortgaged, charged or assigned by or pursuant to any of the Transaction Documents shall (subject to the payment of debts which by law have priority) be applied as follows at the Bank's absolute discretion or as the Bank otherwise directs:

- (i) first, in payment of all costs, charges, expenses and liabilities incurred by the Bank and every receiver, attorney, agent, delegate or other person appointed by the Bank under any of the Transaction Documents in the execution or purported execution of any of the Transaction Documents or in the performance of any duties or the exercise of any powers vested in it or him; and
- (ii) second, in or towards payment of the liabilities of the Customer due to the Bank in respect of the Outstanding Amounts;

and the surplus (if any) after the payment in full of all liabilities of the Customer under the Transaction Documents shall be paid to or to the order of the Customer or such other person for the time being entitled thereto.

13.4 Deficiency of Proceeds

Without prejudice to the rights of the Bank under clause 13.1 herein if the amount realised by the Bank on a sale or application of the properties and assets deposited with the Bank after deduction and payment from the proceeds of such sale of all fees, dues, costs, rates, taxes and other outgoings thereon is less than the amount due to the Bank and whether at such sale the Bank is the purchaser thereof or otherwise, the Customer shall pay to the Bank the difference between the amount due and the amount so realised.

13.5 Right to declare the Abandonment Event

Notwithstanding the fact that the Bank may not have exercised the right available to it immediately to declare that the construction in respect of the Property as abandoned and/or the sale of land in respect of the Property to the Customer could not be completed by the Vendor upon the occurrence of the Abandonment Event based on the criteria as set out in clause 7.4 (i) herein, the Bank may at any time thereafter declare the occurrence of the Abandonment Event and any delay on the part of the Bank in taking steps to declare the occurrence of the Abandonment Event conferred on or available to it by the Transaction Documents shall not be held to prejudice the Bank's right of action in respect thereof.

14 Indemnity**14.1 General Indemnity**

The Customer on demand shall fully indemnify the Bank from and against any expense, loss, damage or liability whatsoever, legal or otherwise (including but not limited to all legal costs incurred by the Bank on a solicitor and client basis), as to the amount of which the certificate of the Bank, shall, in the absence of manifest error, be conclusive and binding on the Customer, which the Bank may sustain, suffer or incur as a consequence of the occurrence of any Event of Default or any failure by the Customer to effect any payment under the Transaction Documents. Without prejudice to its generality, the foregoing indemnity shall extend to any commission, fees or other amounts whatsoever paid or any other amount due or to become due under the Transaction Documents.

14.2 Currency Indemnity

- (i) Ringgit Malaysia is the sole currency of account and payment for all sums payable by the Customer under or in connection with the Transaction Documents, including damages.
- (ii) Any amount received or recovered in a currency other than Ringgit Malaysia (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the bankruptcy proceedings against the Customer or otherwise) by the Bank in respect of any sums expressed to be due to it from the Customer under the Transaction Documents shall only constitute a discharge to the Customer to the extent of the amount in Ringgit Malaysia which it is able, in accordance with its usual practice, to purchase with the amount so received or recovered in such other currency on the date

of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

- (iii) If that amount in Ringgit Malaysia is less than the amount in Ringgit Malaysia expressed to be due to the Bank under the Transaction Documents, the Customer shall indemnify the Bank against any loss sustained by the Bank as a result. In any event, the Customer shall indemnify the Bank against the cost of making any such purchase. For the purpose of this sub-clause (iii), it will be sufficient for the Bank to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

14.3 Indemnities separate

With respect to the relevant payments to be made by the Customer under the Transaction Documents, the foregoing indemnities shall constitute obligations of the Customer separate and independent from its other obligations under the Transaction Documents, shall give rise to separate and independent causes of action against the Customer, shall apply irrespective of any indulgence granted to the Customer from time to time and shall continue in full force and effect notwithstanding any judgment or order or the filing of any proof or proofs in the liquidation or dissolution of the Customer for a liquidated sum or sums in respect of amounts due under the Transaction Documents or under any such judgment or order. Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Bank, as the case may be without any proof or evidence of any actual loss being required.

15 Fee and Expenses

15.1 Administrative Fee

The Customer shall pay to the Bank no later than the date of execution of the Transaction Documents, a non-refundable administrative fee as set out in Item 8 of Annexure A herein.

15.2 Expenses

The Bank and the Customer agrees that the Customer shall on demand pay:

- (i) to the Bank all costs, fees and expenses (including legal (both judicial and extra judicial and on a solicitor and client basis), printing, publicity and out-of-pocket expenses) incurred or paid by the Bank in connection with the negotiation, preparation, execution or completion of the Transaction Documents and any related documents;
- (ii) to the Bank all costs, fees and expenses incurred or paid by the Bank in connection with or incidental to the Musharakah by the Bank to the Customer; and
- (iii) to the Bank all costs, fees and expenses (including legal (both judicial and extra judicial and on a solicitor and client basis) and out-of-pocket expenses)

incurred or paid by the Bank in connection with or incidental to any variation, consent or approval relating to these Terms and Conditions and the Transaction Documents or any related documents or in connection with or incidental to the preservation or enforcement or attempted preservation or enforcement of any of the rights of the Bank under these Terms and Conditions, the Transaction Documents or any related documents or in obtaining or collecting payment of any sum due and payable or which is to become due and payable.

15.3 Stamp duty

The Customer shall pay any stamp, documentary and other similar duties and taxes to which these Terms and Conditions, the Transaction Documents or any related documents may be subject or give rise and shall fully indemnify the Bank from and against any expense, damage, loss or liability which any of them may incur as a result of any delay or omission by the Customer to pay any such duties.

15.4 Abandonment of Property

In the event that the construction in respect of the Property is abandoned or not completed in time by the Vendor arising to an action for late delivery and/or the sale of land in respect of the Property to the Customer could not be completed by the Vendor, the Customer shall bear any legal fees and expenses incurred (on a solicitor and client basis) for filing any claim for damages in relation thereto against the Vendor either at the relevant tribunal or any courts in Malaysia.

16 Benefit of Agreement

16.1 Assignment/Transfer by the Bank

The Bank may assign its rights under the Transaction Documents or any part thereof and/or transfer its obligations under the Transaction Documents or any part thereof, and:

- (i) for this purpose the Bank may disclose to a potential assignee or transferee or any other person who derives or may derive rights or obligations under or by reference to these Terms and Conditions such information about the Customer as shall have been made available to the Bank;
- (ii) where the Bank transfers its obligations or any part thereof, the Customer shall execute such documents as are reasonably necessary to release the Bank to the extent of the transfer and join the transferee as a party thereto; and
- (iii) where the Bank transfers all its obligations and rights hereunder, the Customer shall thereafter deal solely with the transferee with respect to payments, notices and other matters relating to the administration of the Transaction Documents.

All costs of and incidental to any assignment and sale shall be borne and paid for by the Bank unless the assignment and/or sale arose out of circumstances set out by the Customer.

16.2 No Assignment by the Customer

The Customer may not assign any of his rights and/or transfer any of his obligations under the Transaction Documents to which the Customer is a party without the prior written consent of the Bank.

17 Further Provisions

17.1 Rights cumulative, waivers

The rights of the Bank under the Transaction Documents are cumulative, and may be exercised as often as they consider appropriate and are in addition to its rights under any applicable law. The rights of the Bank in relation to the Equity Home Financing-i Facility and/or the Outstanding Amounts (whether arising under the Transaction 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. 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 or affect the liabilities of the Customer under the Transaction Documents. No defective, single or partial exercise of any right, power or privilege hereby conferred on the Bank shall preclude any further exercise thereof by the Bank or the exercise of any other right, power or privilege conferred on the Bank and no act or course of conduct or negotiation on the part of the Bank or on its behalf shall in any way preclude the Bank from exercising any such right or constitute a suspension or any variation of any such right.

17.2 No Inference of Condonation or Acquiescence

Notwithstanding the fact that the Bank may not have exercised any remedy available to it immediately on default by the Customer or that the Bank may have accepted monies from the Customer after such default the Bank shall not be held to have condoned or acquiesced in such default and may at any time thereafter exercise all or any of the remedies available to the Bank and any delay on the part of the Bank in taking steps to enforce the remedies conferred on or available to it by the Transaction Documents or statute shall not be held to prejudice the Bank's right of action in respect thereof.

17.3 Reconstruction of the Customer and the Bank

The liabilities and/or obligations created by the Transaction 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 the constitution of the Bank, and similarly the security, liabilities and/or obligations created by the Transaction Documents continue to be valid and binding for all purposes whatsoever notwithstanding any change of any sort whatsoever in relation to or affecting the Customer, and it is expressly declared that no change of

any sort whatsoever in relation to or affecting the Customer shall in any way affect the security, liabilities and/or obligations created hereunder to any transaction whether past present and future.

17.4 Invalidity of any provision

If any of the provisions of the Transaction Documents becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

17.5 Right to Disclose Information

- (i) The Customer hereby agrees and permits the Bank and/or its officers to disclose and/or obtain any document, record of or information relating to the Equity Home Financing-i Facility, the Transaction Documents, or the assets, business or affairs of the Customer or the accounts or future accounts of the Customer with the Bank and any information relating to the Customer, the interest and ownership in the Property, in such manner and to such extent as the Bank may at its sole absolute discretion deem expedient or necessary or in connection with the matters hereby contemplated, whether or not the disclosure would be in breach of any duty owed to the Customer or any other person:
 - (a) to Dishonored Cheques Information System (DCHEQS), Bank Negara Malaysia, any governmental agency or such other authority having jurisdiction over the Bank;
 - (b) to any assignee or transferee or proposed assignee or transferee of the Bank; and
 - (c) to any third party, if required by any law, regulation or by-law.

- (ii) Provided that the consent of the Customer is obtained, such consent shall be dealt with promptly and shall not be unreasonably withheld by the Customer, the Bank may disclose such information about the Customer to the following parties excluding the information in respect of the Customer's accounts relating to the Equity Home Financing-i Facility:
 - (a) to any company which is or which in the future may be a branch, subsidiary or parent company of the Bank;
 - (b) to any company which is or which in the future may be subsidiaries of RHB Capital Berhad Group of Companies;
 - (c) for or in connection with the enforcement or preservation or attempted enforcement or preservation of any rights of the Bank under the Transaction Documents;
 - (d) to any person as the Bank may deem fit in the interest of the Bank;
 - (e) to any party following the occurrence of an Event of Default; and

- (f) to any party pursuant to any arrangement, composition, restructuring or any proposed arrangement, composition or restructuring between the creditors of the Customer.
- (iii) The Customer hereby consents for the Bank to disclose to any person (other than those stipulated in sub-clause (ii) (a) to (f) above) who derives or may derive rights or obligations under or by reference to the Transaction Documents, such information about the Customer in relation to the Equity Home Financing-i Facility as shall have been made available to the Bank generally.
- (iv) The Customer hereby agrees that any branch, subsidiary or parent company of the Bank shall also be entitled to make disclosure to the Bank and/or to the other branches, subsidiaries or parent company of the Bank.
- (v) The Customer acknowledges and agrees that the permission given under this clause 17.5 herein is for the purposes of section 34(3)(a) of the Islamic Banking Act 1983 and section 47 of the Central Bank of Malaysia Act 2009 and that no further consent from the Customer is required for the purposes of this section and the Customer hereby confirms that the Bank shall not be liable in any manner for disclosing or furnishing such information referred to in this clause 17.5 herein.

17.6 Modifications and Indulgences

The Bank may at any time without in any way affecting the Transaction Documents:

- (i) grant to the Customer any time or indulgence; and/or
- (ii) vary or amend any of the terms of the Letter of Offer or the Transaction Documents; and/or
- (iii) have recourse to all or any remedies or means for recovering the moneys hereby or thereby secured which may be available for such purpose at such time and manner as the Bank thinks fit; and/or
- (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 person; and/or
- (v) determine, vary, increase, reduce, restructure, convert, earmark or cancel the Outstanding Amounts or any part thereof in any manner whatsoever.

17.7 Governing Law

- (i) The Transaction Documents and the rights and duties of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of Malaysia and Shariah Principles and in relation to any legal action or proceedings arising out of or in connection with the Transaction Documents (“**Proceedings**”), the Customer irrevocably submits

to the jurisdiction of the courts of Malaysia, and waives any objections to Proceedings in any court on the grounds that the Proceedings have been brought in an inconvenient forum and the parties herein further agree to make an application for the courts to refer any question involving a Shariah matter to the Syariah Advisory Council of Bank Negara Malaysia pursuant to Section 56 of the Central Bank of Malaysia Act 2009 for a ruling.

- (ii) Such submission shall however not affect the right of the Bank to take Proceedings in any other jurisdiction nor shall the taking of Proceedings in any jurisdiction preclude the Bank from taking Proceedings in any other jurisdiction and the Bank shall be at liberty to initiate and take actions or Proceedings or otherwise against the Customer in Malaysia and/or elsewhere as the Bank may deem fit.

17.8 Time

Time shall be of the essence in these Terms and Conditions.

17.9 Notices

Any notice or communication under or in connection with the Transaction Documents shall be in writing and shall be delivered personally, or by post or facsimile to the addresses as set out in these Terms and Conditions or at such other address as the recipient may have notified to the other party hereto in writing. No change in the address of the Customer herein stated shall be effective or binding on the Bank unless actual notice of such change of address has been received by the Bank. Proof of posting or despatch of any notice or communication shall be deemed to be proof of receipt:

- (i) if it is personally delivered, at the time of delivery and duly acknowledged;
- (ii) if in the case of a letter sent by post, on the second (2nd) day after posting;
- (iii) in the case of a facsimile, at the time of transmission if made during normal business hours, or, if not during normal business hours, on the Business Day immediately after the transmission PROVIDED that the sender has received a transmission control or other like report from the despatching facsimile machine which shows the relevant number of pages comprised in the notice to have been sent and the result of the transmission is "OK". Any such notice or communication which is sent by facsimile should be followed by the original thereof which should be sent by post or personally delivered. Notwithstanding the above, for the avoidance of doubt, the Customer hereby agrees that any notice or communication sent by way of facsimile may be relied and acted upon by the Bank once received by it and notwithstanding that the original thereof may not have been received by it.

Notwithstanding the above provisions, the Customer hereby agrees that a demand for payment of the Outstanding Amounts (or any part thereof) may be made by the Bank in the form of a computer generated demand or notice which requires no signature or which contains a printed or facsimile signature. Any such demand or notice shall (save for manifest error), be binding and conclusive on the Customer.

17.10 Service of Legal Process

- (i) The service of any legal process may be given by prepaid registered post sent to the respective address for service of the parties herein and such legal process shall be deemed to have been duly served after the expiration of five (5) days from the date it is posted and if delivered by hand on the day when it is delivered and duly acknowledged.
- (ii) No change in the address of service howsoever brought about shall be effective or binding on the Bank unless the Customer has given to the Bank actual notice of the change of address for service and nothing done in reliance on clause 17.10(i) shall be affected or prejudiced by any subsequent change in the address of service over which the Bank have no actual knowledge of at the time the act or thing was done or carried out.

17.11 Variation of Terms

It is hereby expressly agreed and declared by the parties hereto that notwithstanding any of the provisions of the Transaction Documents to the contrary, the provisions and terms of the Transaction Documents may at any time and from time to time be varied or amended by mutual consent of the parties hereto by means of a mutual exchange of letters and thereupon such amendments and variations shall be deemed to have been amended or varied accordingly and shall be read and construed as if such amendments and variations have been incorporated in and had formed part of the Transaction Documents at the time of execution hereof.

Notwithstanding to the above, for any changes or variations involving the profit rate, fees or charges the Bank will notify the Customer for at least twenty one (21) calendar days before the effective date of the implementation of such variations or changes.

17.12 Limitation of Power

Any liberty or power which may be exercised or any determination which may be made hereunder by the Bank may be exercised or made at the Bank's absolute or unfettered discretion and the Bank shall not be under any obligation to give any reason thereof to the Customer.

17.13 Enforcement of these Terms and Conditions

These Terms and Conditions is in addition to and not in substitution of any other rights or securities which the Bank may have from or against the Customer or under any of the Transaction Documents to which the Customer is a party and may be enforced in accordance with the terms hereof without first having recourse to any of such other rights or securities and without taking any steps or proceedings against any parties as aforesaid.

17.14 Currency

All sums of money offered and to be received by the parties herein shall be in Ringgit Malaysia.

17.15 Successors Bound

The Transaction Documents shall be binding upon and inure to the benefit of the Customer and its successors in title and shall inure to the benefit of the Bank and its successors in title and assigns.

17.16 Taxes

The parties hereby agree that all payments under the Equity Home Financing-i Facility shall be made free and clear of all present and future withholding and other taxes. In the event that any such taxes are imposed in the future, the Customer undertakes to make the necessary deduction for payment to the relevant authorities and shall furnish the holder with the relevant official receipt.

17.17 No Payment of Interest

For the avoidance of doubt and notwithstanding any other provisions to the contrary herein contained, it is hereby agreed and declared that nothing in the Transaction Documents shall oblige any party to the Transaction Documents to pay or to receive interest (by whatever means or name called) on any amount due or payable to another party to the Transaction Documents or to do anything contrary to Shariah Principles.

17.18 Set Off and Ibra'**(i) Set Off**

The Customer authorises the Bank following the declaration by the Bank of an Event of Default to (with prior notice of at least seven (7) calendar days in advance to the Customer) combine, consolidate or merge all or any of the Customer's accounts with the Bank and may apply, set off or transfer any sum standing to the credit of any such accounts in or towards satisfaction of any sum then due from the Customer to the Bank under the Transaction Documents and unpaid and may do so notwithstanding that the balances on such accounts and the liabilities may not be expressed in the same currency and the Bank is hereby authorised to effect any necessary conversions at its own rate of exchange then prevailing. The Bank shall not be obliged to exercise any of its rights under this clause herein which shall be without prejudice and in addition to any right of set off, combination of accounts, lien or other right to which it is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(ii) Ibra' (Rebate)

The Bank shall have the absolute discretion to grant ibra' (rebate) on any amount payable by the Customer in respect of any payment due under the Transaction Documents.

17.19 Ta'widh (Compensation)

The Bank shall be entitled to impose ta'widh (compensation) as follows:

- (i) for failure to make payment of any amounts under the Equity Home Financing-i Facility on the due date of payment, the compensation rate shall

be applied is one percent (1%) per annum on the overdue amount or any other method approved by Bank Negara Malaysia or the Association of Islamic Banking Institutions in Malaysia (AIBIM);

- (ii) for failure to pay of any amount overdue and which failure continues beyond the Equity Home Financing-i Facility Tenure, the compensation rate that shall be applied is the Bank's prevailing Islamic Money Market Rate on the overdue amount or any other method approved by Bank Negara Malaysia; and
- (ii) the amount of such compensation shall not be compounded.

The compensation at the aforesaid rate shall be payable by the Customer after as well as before any judgment or order of court. Any compensation amount received by the Bank from the Customer under the Equity Home Financing-i Facility will be used for charity purpose and will be channeled to charitable bodies which shall be determined by the Bank.

17.20 Anti-Money Laundering and Anti-Terrorism Financing Act 2001

At all times during the tenure of the Equity Home Financing-i Facility, the Customer shall ensure that it has never and would not:

- (i) engage, directly or indirectly, in a transaction that involves proceeds of any unlawful activity;
- (ii) acquire, receive, possess, disguise, transfer, convert, exchange, carry, dispose, use, remove from or bring into Malaysia proceeds of any unlawful activity; or
- (iii) conceal, disguise or impede the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of any unlawful activity.

In any event, the Customer shall ensure that the Equity Home Financing-i Facility shall not be used for any purpose that may contravene any Shariah principles or for any illegal activities as stipulated under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001. Notwithstanding the foregoing provision:

- (a) the Bank shall not be obliged to enquire as to the application of the Equity Home Financing-i Facility (or any part thereof) or to ensure that it is in fact applied for the purpose set out herein; and
- (b) the obligations of the Customer under these Terms and Conditions and/or the Transaction Documents shall not in any way be prejudiced, affected or diminished by reason that all or any part of the Equity Home Financing-i Facility are applied to some other purpose (whether or not the Bank has notice of that fact).

17.21 Islamic Banking Act 1983

The consent of the Bank to participate or continuing to participate in the Equity Home Financing-i Facility is conditional upon and subject at all times to the

representation of the Customer that the restrictions contained in Section 25 of the Islamic Banking Act 1983 are not infringed. If at any time during the currency of these Terms and Conditions and the Transaction Documents the Bank discovers that there had been infringement of the aforementioned section or that the continued performance of these Terms and Conditions and the Transaction Documents shall be a violation of the aforementioned section, the Bank is entitled forthwith to exercise all of its rights contained in clause 13.1 herein.

17.22 Evidence of payments due

It is hereby agreed that any admission or acknowledgement in writing by the Customer, or by any person authorised on their behalf or a judgment (by default or otherwise obtained against any of them) or a statement of account in writing showing the payments due and payable by the Customer, which is duly certified by an authorised officer of the Bank or by any solicitor or firm of solicitors purporting to act for the Bank shall, save for manifest error, be binding and conclusive evidence against the Customer for whatever purpose including as being conclusive evidence of the Outstanding Amounts and all other amounts which are payable under the terms of the other Transaction Documents in a court of law. Notwithstanding the above provisions, the Customer hereby agrees that a demand for payment of the Outstanding Amounts (or any part thereof) may be made by the Bank in the form of a computer generated demand or notice which requires no signature or which contains a printed or facsimile signature. Any such demand or notice shall (save for manifest error), be binding and conclusive on the Customer.

17.23 All payment received to be payment in gross

All moneys received from or on account of the Customer or from any other person (including but not limited to any surety) or from the realisation of any properties and assets deposited with the Bank pursuant to the terms of the Transaction Documents or any security or otherwise for the purpose of being applied in the reduction of the account of the Customer or of the moneys covenanted to be paid as hereinbefore provided shall be treated for all purposes as payments in gross and not as appropriated or attributable to any specific part or item of the said moneys covenanted to be paid even if appropriated thereto by the Bank. All securities now or at any time held by the Bank shall be treated as security for the said general balance. The Customer or any other person or persons claiming under the Customer shall have no claim to such securities or to any part thereof or any interest therein unless and until the Bank have received the full amount owing to them by the Customer.

17.24 Appropriation

The Bank shall at its absolute discretion be entitled to utilise any monies received towards payment or prepayment to be appropriated in any manner howsoever it shall deem fit.

17.25 Severability

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, provision, covenant or undertaking in any other jurisdiction.

17.26 Independent payment obligations

It is hereby expressly agreed and declared by the Customer that each of its obligations to pay under any of the provisions of the Transaction Documents constitute separate and independent obligations, shall give rise to separate and independent sources of action, shall apply irrespective of any waiver or indulgence granted by the Bank in respect of any other obligation, shall remain in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of some other obligation and may be relied upon and enforced by the Bank independently of or simultaneously with or without having to commence any other action under such obligations or under any of the Transaction Documents or having first exhausted any remedy or having first sold or disposed of any assets, properties or undertaking which may be provided as security to the Bank from time to time.

17.27 Condition of Discharge or release of the Customer

Any settlement between the Bank and the Customer shall be conditional upon no security or payment to the Bank by the Customer or any other person being invalidated for any reason whatsoever or being avoided or refused or set aside by virtue of any provision or enactment or laws relating to bankruptcy, insolvency or liquidation for the time being or from time to time in force or by virtue of any obligation to give effect to any preference or priority and the Bank shall be entitled to recover the value or amount of any such security or payment from the Customer subsequently as if such settlement or discharge had not occurred.

17.28 Defects in Powers

Where any moneys are owing and secured by any Transaction Documents, they shall be deemed to be so owing and so secured notwithstanding any defect, informality or insufficiency in the powers of the Customer or in the exercise thereof which might have a defence as between the Customer and the Bank.

17.29 Liability Reducing Term Takaful/ Takaful Mortgage Plan

The Customer is strongly encouraged to take up Liability Reducing Term Takaful/ Takaful Mortgage Plan.

17.30 Recitals and Annexures

The Recitals and Annexures hereto shall be taken read and construed as an integral part of these Terms and Conditions.

17.31 Letter of Offer Incorporated into these Terms and Conditions

The parties hereby agree that all the terms and conditions stated in the Letter of Offer are taken to be incorporated into these Terms and Conditions and shall form integral parts thereof. In the event of any conflict or discrepancy between the

provisions of these Terms and Conditions and the terms and conditions of the Letter of Offer, the provisions of these Terms and Conditions shall prevail for the purposes of interpretation and enforcement of these Terms and Conditions. For the avoidance of doubt, in the event that the Bank issues supplementary/additional Letter of Offer amending or varying the provisions of these Terms and Conditions, such amendments or variations made pursuant to the supplementary/additional Letter of Offer shall prevail.

17.32 Agreement Not to Constitute a Partnership

Nothing in these Terms and Conditions shall be deemed to constitute a partnership amongst the parties to these Terms and Conditions pursuant to the Partnership Act 1961 and/or any common law principles relating to partnership and no party shall have any authority to bind or shall be deemed to be the agent of the other in any way pursuant to the Partnership Act 1961 and/or any common law principles relating to partnership.

17.33 English Language

All notices or communications under or in connection with these Terms and Conditions shall be in the English language and/or Bahasa Malaysia language or, if in any other language, accompanied by a translation into English and/or Bahasa Malaysia language. In the event of any conflict between the English and/or Bahasa Malaysia language text and the text in any other language, the English text shall prevail. All correspondence, notices or other documents required or permitted hereunder may be drawn up in English and/or Bahasa Malaysia language and drawings and diagrams shall be annotated in English.

17.34 Bank Negara Malaysia

The Equity Home Financing-i Facility shall be at all times governed by such rules, regulations and/or directives (whether or not having the force of law) required of or imposed upon the Bank from time to time and at any time by Bank Negara Malaysia or any other authority having jurisdiction over the Bank and shall be subject to the prevailing Dishonoured Cheque Information System (“DCHEQS”) guidelines, issued from time to time. In order to comply with any such guidelines, the Customer shall forthwith upon request of the Bank from time to time, forward to the Bank a statutory declaration (in form and substance acceptable to the Bank) confirming that the Customer is not on the current DCHEQS blacklist. In accordance with the DCHEQS guidelines issued from time to time, the Customer hereby expressly agrees that the Bank reserves the right to close any or all current accounts of the Customer once the Customer has been listed as a “bad cheque” offender by DCHEQS.

17.35 Exchange Control Act 1953

The Customer shall procure any approval as may be required from time to time by the Controller of Foreign Exchange in relation to the Equity Home Financing-i Facility.

17.36 Right to Consolidation

Upon the declaration of an Event of Default, the Bank shall have the right to consolidate any or all accounts of the Customer with the Bank, such right to be exercised at the Bank's absolute discretion and it is hereby expressly agreed and declared that the Customer's obligations under the Transaction Documents shall not be satisfied except on payment by the Customer of not only all moneys secured hereby but also all moneys secured by (a) any other agreements entered into by the Customer in respect of other facilities granted by the Bank to the Customer or any company under his leadership or control and (b) any other agreements or security created by the Customer in favour of or vested in the Bank to secure the Equity Home Financing-i Facility and/or the payment of the Outstanding Amounts and all other amounts payable under the Equity Home Financing-i Facility.

17.37 Application of moneys

Notwithstanding any provisions herein, if any sum paid or recovered in respect of the payments due from the Customer under the Transaction Documents is less than the amount then due, the Bank may apply that sum to any other amount due under the Transaction Documents in such proportions and order and generally in such manner as the Bank shall determine.

17.38 The Transaction Documents prevails

The parties hereby agree that in the event of any inconsistency between the terms and conditions of the Transaction Documents and the terms and conditions contained in the Letter of Offer, the terms and conditions of the Transaction Documents shall prevail.

17.39 Shariah Compliance

It is hereby agreed and declared that the structure of the Equity Home Financing-i Facility and all Transaction Documents relating to the Equity Home Financing-i Facility have been reviewed and approved in principle by the Shariah Committee of the Bank.

17.40 Effective Date

The parties hereto agree that the Transaction Documents shall come into force on the date as stated in preamble thereto irrespective of the diverse dates upon which they may have each executed the Transaction Documents respectively.

17.41 Additional Terms and Conditions

In addition to these Terms and Conditions, the Equity Home Financing-i Facility shall also be subject to the additional terms and conditions (if any) set out in Annexure C herein.

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ANNEXURE A

(which shall be taken and construed as an integral part of these Terms and Conditions)

Item	Matter	Particulars
1.	Name, NRIC No., description and present address and facsimile transmission, electronic or digital transmission communication numbers and/or addresses (if any) of the Customer	
2.	Registered and business address of the Bank	
3.	The day and year of the first Letter of Offer	The day of
4.	Contribution made by the Bank in the Musharakah	Ringgit Malaysia (RM ●)
5.	Contribution made by the Customer in the Musharakah	Ringgit Malaysia (RM ●)
6.	Description of Property	
7.	Value of each Musharakah Unit	Ringgit Malaysia One (RM1.00)
8.	Administrative Fee	Ringgit Malaysia (RM ●)
9.	Equity Home Financing-i Facility Tenure	months/ years
10.	Equity Home Financing-i Facility Documents	(i) Letter of Hibah (if applicable); (ii) Letter of Consent (if applicable) (iii) Musharakah Agreement;

		<ul style="list-style-type: none"> (iv) Purchase Undertaking; (v) Ijarah Agreement; (vi) Service Agency Agreement; (vii) Limited Declaration of Trust; (viii) Charge (or where applicable, Deed of Assignment (by way of security)); and (ix) any other security documents as required by the Bank from time to time as and when necessary.
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ANNEXURE B

(which shall be taken and construed as an integral part of these Terms and Conditions)

Conditions Precedent

(Clause 2)

1. The Musharakah Agreement, the Ijarah Agreement, the Service Agency Agreement, the Purchase Undertaking, the Limited Declaration of Trust*, the Form 14A of the National Land Code, 1965 or the Form G in the First Schedule of the Sarawak Land Code or the Memorandum of Transfer in Schedule XIII of the Sabah Land Ordinance in relation to the memorandum of transfer of ownership of the Property from the Vendor to the Customer (the "**Memorandum of Transfer**") (where applicable) and the Deed of Assignment (by way of security) shall have been duly executed and stamped.
2. The Bank shall have received the following documents (in form and substance acceptable to the Bank):
 - (i) a certified true copy of the Customer's national identity card and the Customer's specimen signature; and
 - (ii) the latest one (1) year EA Form of the Customer.
3. The Bank shall have received the results of the credit checking findings and the Bank shall be satisfied with the results thereof.
4. A bankruptcy search shall have been conducted on the Customer wherein the Official Assignee confirms that the Customer is not an undischarged bankrupt or in the event such bankruptcy search report has not been received by the Bank, the Bank shall have received a statutory declaration (in form and substance acceptable to the Bank) from the Customer confirming that he is not a bankrupt.
5. The Bank shall have received all fees, expenses and other amounts due and payable under the Transaction Documents.
6. The Bank shall have received evidence satisfactory to the Bank that an account for the purpose of the Equity Home Financing-i Facility has been opened by the Customer with the Bank.
7. Written confirmation from the Bank's solicitors confirming that all the conditions precedent herein have been complied with and that the validity and enforceability of all legal documentation are satisfactory.
8. The Customer shall have provided to the Bank the duly executed Letter of Consent and the Letter of Hibah, subsequent to the execution of the Sale and Purchase Agreement, prior to the execution of the Musharakah Agreement and the Purchase Undertaking (if any).

9. The Customer shall have provided to the Bank the duly executed Letter of Hibah, /subsequent to the execution of the Sale and Purchase Agreement,* prior to the execution of the Musharakah Agreement and the Purchase Undertaking (if any).
10. Any other conditions as duly specified in the Letter of Offer (if any).
11. The Customer shall have provided to the Bank the duly executed Letter of Hibah, /subsequent to the execution of the Sale and Purchase Agreement,* prior to the execution of the Musharakah Agreement and the Purchase Undertaking (if any).

Note: * means whichever is applicable

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ANNEXURE C

(which shall be taken and construed as an integral part of these Terms and Conditions)

Additional Terms and Conditions

(Clause 17.41)

1. The Form 14A of the National Land Code, 1965 or the Form G in the First Schedule of the Sarawak Land Code or the Memorandum of Transfer in Schedule XIII of the Sabah Land Ordinance in relation to the transfer of ownership of the Property from the Vendor to the Customer (the "**Memorandum of Transfer**") (where applicable), the Charge and the Limited Declaration of Trust shall be duly executed and stamped upon the acquisition of the Property by the Musharakah subsequent to the issuance of title to the Property as well as the execution and stamping of the Musharakah Agreement and the Purchase Undertaking.
2. The duly executed and stamped Memorandum of Transfer and Charge shall be duly presented to the relevant land office for registration upon receipt of the original title of the Property from the Vendor.

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Execution

Executed the day and year first set out in Item 1 of Schedule 1 above

THE BANK (MUSHARIK 1)

Signed by

•
as Attorney for and on behalf of **RHB
ISLAMIC BANK BERHAD** (Company
No. 680329-V) in the presence of:



By its Attorney

THE CUSTOMER (MUSHARIK 2)

Signed by

•
(NRIC No. •)
in the presence of:

