

ADDENDUM

[Which is to be taken, read and construed as an essential part of the Specific Notice (“**Specific Notice**”) issued by MBSB Bank Berhad (Company No. 716122-P) (“**MBSB Bank**”) to the Customer in respect of the Conversion of the Customer’s Home Leasing-*i* / Ijarah Term Financing-*i* Facility (under Shariah Principle of Ijarah Muntahiya Bitamlik) or Istisna’ Ijarah / Home Leasing-*i* Facility (under Shariah principle of Ijarah Mausufah Fi Zimmah) (as the case may be) (“**Ijarah Facility**”) to Shariah concept of Commodity Murabahah Property Financing-*i* Facility (“**CMPF-*i***”)(hereinafter referred to as “**Facility**”)(hereinafter collectively referred to as “**Conversion**”)]

A. Preamble and Purpose

- (1) MBSB Bank is currently undertaking an exercise to streamline all existing products to ensure compatibility and assimilation with the business direction of MBSB Bank.
- (2) This Addendum contains a concise description of the nature, purpose, process and the terms and conditions governing the aforesaid Conversion.
- (3) All references and/or terms and/or phrases and/or definitions and/or abbreviations used in the aforesaid Specific Notice shall unless otherwise defined herein, be similarly used and/or referred to in this Addendum.

B. Nature

- (1) This Conversion is deemed to have commenced from the date appearing in the Annexure attached hereto (hereinafter referred to as “**Effective Date**”) wherein the Customer’s Ijarah Facility is deemed to have been converted and/or modified and/or changed and/or altered and/or varied and/or restructured from its Ijarah based financing to Commodity Murabahah based financing Facility.
- (2) For all intents and purposes, the term “**Ijarah Facility**” as appearing in this Addendum shall refer to the Customer’s said Home Leasing-*i* / Ijarah Term Financing-*i* Facility (under Shariah Principle of Ijarah Muntahiya Bitamlik) or Istisna’ Ijarah / Home Leasing-*i* Facility (under Shariah principle of Ijarah Mausufah Fi Zimmah) (as the case may be) being converted and/or converted to the Facility. .

C. Basis

- (1) This Conversion and the terms and conditions of this Addendum and all documents executed in respect thereof and/or hereof is implemented and taken into effect with the express consent of the Customer first had and obtained and/or pursuant to the provisions provided under the security documents and/or instruments executed in respect of the Ijarah Facility (“**Ijarah Instrument**”) wherein the Customer has given consent to and/or authorized MBSB Bank to review and/or amend and/or vary and/or modify and/or restructure and/or alter the terms and/or nature of the Ijarah Instrument in such manner and at such time(s) as MBSB Bank shall in its absolute discretion think fit. For avoidance of doubt, the term “Ijarah Instrument” includes “Existing Security Instruments” and “Purchase/Lease Instruments” as described and/or defined and/or termed under the Specific Notice and that for all intents and purposes with effect from the Conversion and/or the Effective Date, the applicable security instruments applied as security for

the Facility are the ones falling under the term Existing Security Instruments and all other instruments made available from time to time post the Conversion and/or Effective Date.

- (2) This Conversion involves the simultaneous (i) closing/dissolution of the Customer's existing Ijarah Facility account with a remaining principal balance payable (inclusive of undisbursed portion) determined as at the date of closing/dissolution thereof ("**Principal Balance**") and (ii) opening of a new account to facilitate the continued financing and/or payment of the Customer's said Principal Balance under the Facility together with all amounts due and owing thereunder with effect from and/or on the Effective Date.

D. Effect

(1) **Substitution**

Save as otherwise hereinbefore and/or hereinafter stipulated, the amendment and/or modification and/or change and/or alteration and/or variation and/or restructuring of the Customer's Ijarah Instrument as provided herein and made pursuant to the Conversion, shall act and be applied in substitution of all terms and conditions of the Ijarah Facility. Notwithstanding that, however and/or unless otherwise prescribed in this Addendum and the Annexure attached hereto, the existing terms and conditions of the Customer's Ijarah Instrument that are not contrary to and/or in conflict with Shariah Concept of Commodity Murabahah shall survive and continue to apply in respect of the Facility and shall remain in full force and effect and shall be read and construed as an integral part of the Facility as if the same has been added thereto and applied and enforceable thereto mutatis mutandis until full satisfaction of the Facility and in particular and not in derogation of the foregoing, the Ijarah Instrument created in favour of MBSB Bank under the Customer's Ijarah Facility not affected by the amendment and/or modification and/or change and/or alteration and/or variation and/or restructuring shall apply and/or continue to apply and/or remain valid, and/or intact and/or enforceable in its nature and/or form and/or automatically deemed as security for the Facility subject always however to any modifications, variations and/or changes that may be effected thereto by MBSB Bank from time to time (if any) to comply with the requirements of Shariah Concept of Commodity Murabahah. For avoidance of doubt, reference made to the Customer's Ijarah Facility and/or Ijarah Instrument and/or the Facility shall at all times include all security instruments and/or documents attached thereto and with effect from the Effective Date, be taken and construed as reference to the Facility.

(2) **Relationship between Customer and MBSB Bank**

Notwithstanding the Conversion, the relationship between the Customer and MBSB Bank shall remain and continue as that of a debtor and creditor in respect of the contract established in the Ijarah Facility and the simultaneous continuation thereof as and/or in the form of the Facility and that with effect from the Effective Date and in consideration of MBSB Bank continuing to allow the Customer to service payment of the Customer's **Indebtedness** (as defined herein) to MBSB Bank within the tenure and/or in accordance to the terms and conditions as contained hereinbefore and/or hereinafter pursuant to the Conversion, all rights, covenants, obligations and liabilities between the Customer and MBSB Bank in respect thereof including but not limited to events of default on the part of the Customer and/or rights of recovery on the part of MBSB Bank shall remain intact and enforceable until such time when all of the Customer's Indebtedness to MBSB Bank has been fully settled.

(3) **Continuing Payment Obligations**

3.1 The Principal Balance under the existing Ijarah Facility shall be converted and carried over to and shall continue to be paid on same amount on a monthly basis under the Facility. The said Principal Balance relates to the Call Option Price or Put Option Price

(defined under the Customer's Ijarah Facility)(as the case may be) payable under the Customer's Ijarah Facility upon the operation of the Call Option or Put Option which is equivalent to the amounts due and owing by the Customer under and towards full satisfaction of the Customer's Ijarah Facility together with all outstanding payments thereunder;

- 3.2 All ancillary payment obligations under the Ijarah Facility and/or Facility will still be payable by the Customer;
- 3.3 This Conversion shall not in any way howsoever and/or whatsoever affect and/or absolve and/or terminate the Customer's covenant, obligation and undertaking to pay and/or satisfy and/or complete and/or continue to pay and/or satisfy and/or complete the payment of all amounts due and owing by the Customer to MBSB Bank arising out of and/or in connection with the Customer's Ijarah Facility and/or be the cause of any dispute for the Customer not to continue to pay and/or satisfy and/or complete the Customer's payment obligations to MBSB Bank as and when the same becomes due.

(4) **Continuing Security**

(4.1) Save and except as hereinbefore and/or hereinafter stipulated, all existing created in respect of and/or pledged to the Customer's Ijarah Facility in the form of the Ijarah Instrument ("**Existing Security**") shall automatically continue to apply and remain in full force and effect to secure the Facility subject always however to any modifications, variations and/or changes that may be effected thereto by MBSB Bank from time to time (if any) to comply with the Shariah Concept of Commodity Murabahah with effect from the Effective Date of the Conversion. In this regard and for all intents and purposes, the following ensues:-

(4.1.1) for Existing Security comprised under the Ijarah Facility including but not limited to the Ijarah facility agreement and/or master facility agreement and/or facility agreement and/or legal charge(s) created under the National Land Code 1965 and/or deed(s) of assignment over Property (as hereinafter defined) and/or memorandum(s) of deposit over any commodity murabahah term deposit account opened under the Customer's name with authority of set-off in favour of MBSB Bank and/or personal and/or corporate guarantee(s) and/or deed(s) of assignment in respect of takaful and/or insurance made and/or executed in favour of MBSB Bank in respect of the Customer's Ijarah Facility ("**Existing Security Instruments**") shall automatically continue to be applied and/or carried over as security for the Facility and in relation thereto all references to and/or application of the principles and/or mechanics of financing via the Ijarah Facility therein shall automatically be replaced by the principles and/or mechanics of financing via Commodity Murabahah ;

(4.1.2) all beneficial right(s), title(s), interest(s) and/or liability(ies) in, unto and/or under and/or in respect of the property purchased by the Customer from the developer/vendor which is financed under the Customer's Ijarah Facility ("**Property**") and conferred upon and/or made in favour of MBSB Bank and documented via property purchase agreement(s) and/or property sale agreement(s) and/or property lease agreement(s) and/or agency agreement(s) and/or istisna' agreement ("**Purchase/Lease Instruments**") shall automatically be reverted and/or re-conveyed back to the Customer simultaneously with the Conversion in the following manner:-

- (i) the Call Option Letter and the Call Option Notice or the Put Option Letter and the Put Option Notice (as defined under the Customer's Ijarah Facility)(as the case may be) pertaining to the re-conveyance of the Property by MBSB Bank to the Customer at the Call Option Price or Put Option Price (as defined under the Customer's Ijarah Facility)(as the case may be) together with the Customer's undertaking to pay shall be deemed to have automatically come into operation simultaneously with the Conversion ("**Re-Conveyance**");
 - (ii) the Conversion exercise shall be deemed as one of the factors sanctioning the simultaneous operation of the Re-Conveyance;
 - (iii) the simultaneous Re-Conveyance effectively dissolves the Purchase/Lease Instruments and completes and/or facilitates and/or put into continued operation all legal charge(s) and/or assignment(s) over Property executed under and/or in respect of the Existing Security Instruments in favour of MBSB Bank as security for the Facility;
- (4.2) For all intents and purposes of the Conversion and/or with regard to the operation of item D(4) hereof, the aforesaid Ijarah Instrument, Security Instruments, Specific Notice, this Addendum and Annexure attached hereto and all other documents and/or instruments executed and/or annexed to this Addendum from time to time shall be collectively referred to as "**Security Documents**".

E. Concept and Method of Financing

- (1) Pursuant to the Conversion, the nature and arrangement of the Ijarah Facility has been changed and/or modified and/or varied and/or altered and/or restructured to the concept of **Commodity Murabahah** whereby pursuant to the powers granted to MBSB Bank –
- (a) MBSB Bank shall purchase Shariah compliant Commodities acceptable to MBSB Bank pursuant to the Customer's purchase requisition at the **Selling Price**;
 - (b) MBSB Bank is appointed as the Customer's agent to:-
 - (i) purchase the Commodities from MBSB Bank at an amount equivalent to the Selling Price; and thereafter;
 - (ii) sell the Commodities to a third party **Commodity Trader** at an amount equivalent to the **Purchase Price**;
 - (c) MBSB Bank will on behalf of the Customer purchase the Commodities from a Commodity Trader at the cost price of the Commodities payable on cash basis which shall be an amount equivalent to the Purchase Price;
 - (d) The Commodity Trader will deliver the Commodities evidenced by a certificate together with the delivery order as evidence for the transfer of ownership to MBSB Bank;
 - (e) Pursuant to paragraph (b)(i) above, MBSB Bank will then on behalf of the Customer purchase the Commodities from MBSB Bank at an amount equivalent to the Selling Price by executing the Murabahah Sale Contract based on the Murabahah concept (cost plus profit) which shall be payable by the Customer to MBSB Bank by way of installment or deferred payment or any other manner as prescribed by MBSB Bank;

- (f) Upon conclusion of paragraph (e) and pursuant to paragraph (b)(ii) above, MBSB Bank will then sell the Commodities to a third party Commodity Trader upon conclusion of the purchase by MBSB Bank in its capacity as agent of the Customer at an amount equivalent to the Purchase Price. The proceeds from the sale of the Commodities (which is equivalent to the Purchase Price) shall in turn become treated as the financing amount in respect of the Facility which is equivalent to the Principal Balance under the Ijarah Facility ("**Financing Amount**") and the Customer shall with effect from the Effective Date becomes liable to pay MBSB Bank the Selling Price in the manner and as per the terms and conditions as hereinbefore and/or hereinafter set out.

Unless otherwise agreed between the parties, MBSB Bank shall, upon request, allow the Customer to take possession of the Commodities at the costs and expenses of the Customer, and deliver the Commodities according to the Customer's instruction on and as is where is basis and without any representations or warranties as to quality, condition, quantity and description and without liability to MBSB Bank for any loss, damage or deterioration.

Samples of the purchase requisition, agency agreement and Murabahah Sale Contract are attached to this Addendum.

- (2) For purposes of the Conversion and the Facility the following definitions shall, where applicable, apply accordingly:-

"**Commodities**" means any Shariah compliant goods and/or commodities acceptable to MBSB Bank, purchased under the platform of any Commodity Trader appointed by MBSB Bank which will be transacted as the underlying asset to facilitate the Tawarruq transaction and such commodities are free from MBSB Bank's representations or warranties as to quality, condition, quantity and description and without liability to MBSB Bank for any loss, damage or deterioration.

"**Commodity Brokerage/Trading Fees**" means fees that are imposed by the appointed service provider when MBSB Bank transacts the Tawarruq transaction as per the above and for purposes of the Conversion, MBSB Bank bears the said Commodity Brokerage/Trading Fees.

"**Commodity Trader**" means commodity trader(s) in the commodity market as arranged by MBSB Bank.

"**Commodity Murabahah**" means a sale contract in respect of an asset/commodity with a disclosure of the asset cost price and profit margin to the buyer.

"**Deferred Profit**" in relation to the Murabahah Profit, means MBSB Bank's profit payable by the Customer to MBSB Bank on regular deferred intervals derived from each Sale Transaction and upon the terms hereinbefore and/or hereinafter stipulated.

"**BFR**" / "**BR**" means the Base Financing Rate or Base Rate of MBSB Bank as may be determined by MBSB Bank from time to time;

"**Effective Profit Rate (EPR)**" means the effective profit rate as stated in this Addendum and/or the Annexure attached to this Addendum.

"**IFSA**" means the Islamic Financial Services Act 2013 and includes all rules, regulations and/or amendments made and/or effected thereto from time to time.

"**Indebtedness**" means the Customer's indebtedness to MBSB Bank as particularized under items D(2) and D(3) above and further includes but is not limited to the Ijarah Facility and/or the

Facility pursuant to the Conversion plus all commission and/or fees and/or payments and/or profit margins thereof and/or any outstanding part thereof (which remain due and payable at any time) including the Selling Price, and all other sums of money howsoever due including but not limited to costs (including legal costs on a solicitor and client basis) to MBSB Bank under the terms of the Transaction Documents and/or Security Documents.

“Murabahah” means a sale contract with a disclosure of the asset cost price and profit margin to the buyer.

“Murabahah Profit” means MBSB Bank’s profit payable by the Customer to MBSB Bank which consists of the Deferred Profit.

“Murabahah Sale Contract” means the document in relation to the purchase and sale of the Commodities by MBSB Bank to the Customer.

“Purchase Price” means the purchase price payable by MBSB Bank for the purchase of the Commodities from a Commodity Trader and which is equal to the utilisation amount under the aforesaid purchase requisition, **the aggregate amount of which shall be equivalent to the total of the aforesaid Financing Amount.**

“Purchase Transaction” means the transaction between MBSB Bank and the Commodity Trader wherein the Commodities are purchased by MBSB Bank from the Commodity Trader at cost price which is equivalent to the Purchase Price.

“Sale Transaction” means the transaction between MBSB Bank and the Customer wherein the Commodities are sold by MBSB Bank to the Customer pursuant to the Murabahah Sale Contract.

“Security Documents” means as referred to and/or defined as per item D(4)(4.2) and includes all security documents and/or guarantees and/or charges and/or assignments executed hereafter or from time to time executed in favour of MBSB Bank to secure the Indebtedness or any part thereof.

“Security Party” means any party or parties providing or which shall hereafter from time to time provide any security or guarantee in favour of MBSB Bank to secure the payment of the Indebtedness.

“Selling Price” means the amount as set out in the Murabahah Sale Contract, payable by the Customer to MBSB Bank as the selling price for the Commodities in accordance to item E(1) above and as set out hereinbelow and/or in the Annexure attached to this Addendum.

“Tawarruq” means the arrangement that involves sale of an asset to the purchaser on a deferred basis and subsequent sale of the asset to a third party on a cash basis to obtain cash or vice versa.

“Tawarruq Transaction Documents” means the purchase requisition, the agency agreement and the Murabahah Sale Contract.

“Transaction Documents” means the Security Documents and the Tawarruq Transaction Documents.

F. Specific Terms and Conditions Governing the Commodity Murabahah Property Financing-i Facility (CMPF-i) @ the Facility

- (1) **Shariah principle**: Save as otherwise hereinbefore and/or hereinafter provided, the rights and obligations between MBSB Bank and the Customer in respect of the Facility are intended to be subject to and in conformity with Shariah principles of Tawarruq as described above.
- (2) **Rate**: All references to “Variable Element” in the Ijarah Instrument (if any) commencing from the Effective Date shall be substituted with the term “Profit”.
- (3) **Facility Tenure**: The tenure for the Facility shall be as set out in the Annexure attached to this Addendum.
- (4) **Purchase Price**: For each Purchase Transaction, the Purchase Price shall be a sum equal to the utilisation amount under the purchase requisition, **the aggregate amount of which shall not exceed the total of the aforesaid Financing Amount** or for purposes of easy reference, the Purchase Price under the Facility shall be the Principal Balance amount less any principal amount paid as at the Effective Date.

(5) **Effective Profit Rate (EPR)**:

- (a) The effective Murabahah Profit which is part of the Selling Price, shall be an amount equivalent to the Effective Profit Rate calculated on the outstanding Purchase Price applicable for the entire duration of the Facility Tenure, on the basis of a 365 day year (both start and end date inclusive). (*)

* *Pursuant to the Conversion and for all intents and purposes, references to the duration of the Facility Tenure herein shall specifically mean the applicable balance tenure remaining under the Ijarah Instrument as at the Effective Date for accounts that have been fully disbursed or the entire duration of the tenure of the Ijarah Instrument for accounts that have not been fully disbursed.*

- (b) The applicable BFR / BR for the purpose of calculating the profit shall be the BFR/BR at the relevant Purchase Transaction date.
- (c) In the event of change of BFR / BR, the Effective Profit Rate shall be revised by MBSB Bank accordingly. Any revision in the EPR shall not exceed the Ceiling Profit Rate.

(6) **Ceiling Profit Rate**:

The Ceiling Profit Rate is at _____ per centum (____ %) per annum; where in any case, the Effective Profit Rate will not be increased to exceed the Ceiling Profit Rate (save and except in a situation where Ta'widh is charged) which is to be calculated on the Purchase Price under each utilisation applicable for the entire duration of the Facility Tenure on the basis of a three hundred sixty five (365) day year (both start and end date inclusive). (*)

The Ceiling Profit Rate shall be applicable for the purpose of calculating “Murabahah Profit” at the respective relevant Purchase Transaction date.

* Pursuant to the Conversion and for all intents and purposes, references to the duration of the Facility Tenure herein shall specifically mean the applicable balance tenure remaining under the Ijarah Instrument as at the Effective Date for accounts that have been fully disbursed or the entire duration of the tenure of the Ijarah Instrument for accounts that have not been fully disbursed.

(7) **Selling Price:** For each Sale Transaction, the Selling Price will be determined on the applicable Purchase Transaction date based on the Ceiling Profit Rate. The payment of the Selling Price shall be based on the Effective Profit Rate as follows:-

Monthly Installments payment

The monthly installment payment shall be as set out in the Annexure attached to this Addendum. The payment of monthly installment shall commence on the first (1st) day of the month following the full disbursement of the Purchase Price. (*)

* Pursuant to the Conversion and for all intents and purposes:-

- (i) *The applicable Purchase Price referred to herein shall be the Financing Amount (as defined above) which is equivalent to the Principal Balance under the Ijarah Instrument.*
- (ii) *The Monthly Installment payment referred to herein shall be applicable for accounts under the Ijarah Instrument that have not been fully disbursed and those that have been fully disbursed immediately prior to the Effective Date.*
- (iii) *For accounts that have been fully disbursed under the Ijarah Instrument immediately prior to the Effective Date, the Monthly Installment payment referred to herein shall be premised on the principal balance carried over from Ijarah Instrument and calculated in accordance with the terms hereinbefore and/or hereinafter provided and payment thereof shall commence immediately with effect from the Effective Date and consecutively for every subsequent month thereafter until the Facility is fully paid.*
- (iv) *For avoidance of doubt, the Monthly Installment payment of the Customer shall as at the date of Conversion remain the same. Nonetheless, the Monthly Installment payments may vary according to the changes in the BFR / BR rate from time to time and incidental costs charged.*
- (v) *The current Monthly Installment payment is indicated to be the same monthly instalment payment payable prior to Conversion and shall consist of the principal amount and the profit margin. The actual Monthly Installment payment shall be as per stated in the Annexure attached to this Addendum and/or as determined and notified to the Customer in a manner which shall be determined by MBSB Bank from time to time at MBSB Bank's sole absolute discretion.*

(8) **Rebate (Ibra'):**

- (a) MBSB Bank shall grant rebate (Ibra') to the Customer, including but not limited to, the following events:-

- (i) Early settlement or early redemption, including those arising from prepayments;
- (ii) Settlement of the original financing contract due to financing restructuring exercise;
- (iii) Settlement by the Customer in the case of default;
- (iv) Settlement by the Customer in the event of termination or cancellation of the Facility before expiry of the Facility Tenure; and
- (v) In the event the Effective Profit Rate is lower than the Ceiling Profit Rate.

(b) The rebate (Ibra') for settlement is calculated in accordance to the following formula:-

Settlement Amount:

Outstanding Selling Price	+	Installment Due	+	Late Payment Compensation (Ta'widh)	+	Other Charges	-	Rebate (Ibra')
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Where:-

Rebate (Ibra') = Deferred Profit – Early Settlement Charges

Deferred Profit means unaccrued profit at the point of settlement of the Facility.

Early Settlement Charges means the charges that may be imposed by MBSB Bank on the Customer for early settlement of the Facility before the end of the Facility Tenure. Such charges may include:-

- (i) costs that have not been recovered because a financing contract has a structure with discount elements at the initial period of financing (if applicable); and
- (ii) initial costs that have not been recovered (e.g; legal fees, valuation fees and takaful contribution),

but shall in any event be a reasonable estimate of the costs incurred by MBSB Bank as a direct result of such early settlement.

Other Charges are including but not limited to the following:

- (i) Advances paid by MBSB Bank including takaful contribution, legal fees, quit rent, other incidental cost incurred and etc;
 - (ii) Any cost, expenses and charges (excluding Ta'widh) which have not been paid on the settlement date.
- (c) For the avoidance of doubt, it is hereby acknowledged and agreed that the rebate (Ibra') referred to herein shall not be construed in any manner whatsoever as cash rebate payable to the Customer, but shall be reflected as a reduction in the Murabahah Profit.

(9) **Changes in BFR / BR:**

- (a) Notice on the change of the BFR / BR shall be notified by MBSB Bank to the Customer in the following manner:

- (i) By either placing in one issue of a daily national newspaper a general notice of change of the BFR / BR addressed to the public generally; or
 - (ii) By posting a notice of such changes in any of the MBSB Bank's branch premises or website.
- (b) Notwithstanding the issue of the general notice specified in items F(9)(a)(i) and F(9)(a)(ii) above, MBSB Bank may at its absolute discretion decide (without any further notice to the Customer) that such variation shall not apply to the Customer and the Security Party(ies) to whom a demand hereunder had been made or legal proceedings had been commenced against the Customer and/or any of the Security Party(ies).
- (c) The decision of MBSB Bank as to what at any time is the BFR / BR and the date(s) from which such amendment shall take effect shall be final and conclusive and shall not be questioned on any account whatsoever.
- (d) If and whenever the BFR / BR payable by the Customer shall be varied, MBSB Bank may, at its absolute discretion, adjust the amount of rebate granted to the Customer during the Facility Tenure upon changes of the EPR due to the fluctuating BFR / BR, provided always that the total amount received by MBSB Bank shall not exceed MBSB Bank's Selling Price.
- (10) **Changes of the Monthly Installment**
- (a) In the event of any change in the BFR / BR at any time during the Facility Tenure resulting in change in the EPR, MBSB Bank shall have the right to revise the Monthly Installment amount accordingly and such revision in Monthly Installment amount shall be notified to the Customer. Any revision in the EPR as aforesaid shall not exceed the CPR.
 - (b) In addition to item F(10)(a) above, in the event of any delay or failure by the Customer to pay any Monthly Installment amount during the Facility Tenure in accordance with this Addendum, MBSB Bank shall have the right to revise the Monthly Installment by revising the EPR. Such revision in Monthly Installment amount as aforesaid shall be notified to the Customer and the Revised EPR shall not exceed the CPR.
- (11) **Prepayment:**
- (a) The Customer shall give MBSB Bank a minimum written notice of one (1) month prior to making a partial or total prepayment which prepayment must be made on the Profit Payment date as referred to in item F(7) above.
 - (b) Any notice for prepayment shall be irrevocable and the Customer shall be obligated to make such prepayment in accordance with the notice and any amount which is paid may not be reimbursed.
- (12) **Late Payment Compensation (Ta'widh):** In addition to and without prejudice to MBSB Bank's rights, powers and remedies contained in the Transaction Documents, in the event there is any amount due and remains unpaid, the Customer shall pay to MBSB Bank compensation on such default amount, commencing from the date such default amount was first due for payment to the date of actual payment (both before and after judgment) as follows:-

- (a) if default occurs during the Facility Tenure of the Facility or any part thereof, at the rate of one per centum (1%) per annum on such overdue amount or calculated by such other method or rate as shall be stipulated by the SAC of Bank Negara Malaysia (SAC BNM) or Shariah Advisory Committee of MBSB Bank (“**SAC MBSB Bank**”) from time to time; and
- (b) if default occurs after the maturity of the Facility or any part thereof, at the rate that shall not exceed the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on the outstanding balance.

Notwithstanding the amount of Late Payment Compensation (Ta'widh) charged, it is expressly acknowledged and agreed that the said amount of Late Payment Compensation shall not be further compounded.

- (13) **Priority of Payments:** Payments received from the Customer will be deducted from the Facility in the following order of priority:-

- (a) Profit
- (b) Principal Amount
- (c) Late Payment Compensation
- (d) Other Charges

- (14) **Takaful or Insurance cover in any form or manner taken by the Customer under the Ijarah instrument:** For purposes of the Conversion, the existing takaful or insurance cover under the Ijarah Instrument shall continue to apply and/or be carried over to cover the Facility throughout the duration of the Facility Tenure or MBSB Bank shall be at liberty to procure the requisite takaful cover for the Facility from takaful issuers approved at MBSB Bank's sole absolute discretion.

- (15) **Taxes Payable Under Sales Tax Act 2018 and/or Service Tax Act 2018 and/or SST Regulations and/or SST Orders and/or other tax legislation (“Taxes”):** Where Taxes are imposed in respect of the Ijarah Facility and/or the Facility and/or the Conversion, the Customer shall solely be liable for the said Taxes and where remaining unpaid by the Customer to the authorities, it shall be permissible but not obligatory for MBSB Bank for purposes of implementing the Conversion to pay the said Taxes on behalf of the Customer whereupon the Customer shall be liable to pay the same to MBSB Bank in respect thereof and until the same has been paid in full by the Customer to MBSB Bank, it shall form part and parcel of the Customer's Indebtedness to MBSB Bank.

- (16) **Early Settlement Charges:** In the event the Customer opts to make an early settlement before expiry of the Facility Tenure, the Customer shall pay to MBSB Bank all the costs incurred which have been duly paid by MBSB Bank on behalf of the Customer (including but not limited to the legal and valuation expenses), if any.

- (17) **ANTI-MONEY LAUNDERING ACT, ANTI-TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001 (ACT 613)**

The Customer hereby further covenants and undertakes that from the date of this Agreement, it shall ensure that it has never and would not:-

- (a) engage, directly or indirectly, in a transaction that involves proceeds of any unlawful activity;

- (b) acquire, receive, possess, disguise, transfer, convert, exchange, carry, dispose, use, remove from or bring into Malaysia proceeds of any unlawful activity; or
- (c) 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; and

the Customer confirms to MBSB Bank that it is not involved in any money laundering activity within the meaning of Section 3 of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act, 2001.

(18) PERSONAL DATA PROTECTION ACT 2010 (ACT 709)

In the course of the Customer's dealing with MBSB Bank, MBSB Bank may request the Customer to provide personal data of the Customer and where applicable, the Customer's employees, agents, directors, contact persons, shareholders, representatives, authorized persons and shareholdings details of the Customer's shareholders as disclosed by the Customer prior to or during the course of performance of this contract for the performance of contact, marketing, legitimate business activity, administration and economic efficiency purposes. Where applicable, the personal data of the Customer and the Customer's employees, agents, directors, contact persons, shareholders, representatives, authorized persons and shareholdings details of the Customer's shareholders may be disclosed and shared with other related corporations and subsidiaries of MBSB Bank within and outside Malaysia for the aforesaid purposes. The Customer hereby warrants that the Personal Data Protection Act 2010 has been complied with and that consents have been obtained from the Customer or where applicable, the Customer's employees, agents, directors, contact persons, shareholders, representatives and authorized persons in relation to the disclosure and processing of their personal data by MBSB Bank for the aforesaid purposes.

(19) ALL OTHER TERMS AND CONDITIONS PURSUANT TO THE CONVERSION EXERCISE

- (a) All other terms and conditions contained in the Ijarah Instrument that have not been modified and/or changed and/or varied and/or altered herein and/or that are not in contravention with Shariah Concept of Commodity Murabahah shall remain as applicable and enforceable against the Customer herein mutatis mutandis;
- (b) All stipulations, terms and conditions as set out in the Ijarah Instrument, Security Instruments, Specific Notice, the Annexure attached hereto and all other documents and/or instruments executed and/or annexed to this Addendum from time to time shall form part and parcel of this Addendum and be read taken and construed together with the terms and conditions as contained and set out in this Addendum.

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