

IMPORTANT NOTICE: The Customer is advised to read and understand the terms and conditions of this Letter Of Subordination Of Debts ("Terms"), and if you do not understand any of the Terms, the Customer is advised to seek CIMB Islamic Bank Berhad 's clarification on such Terms before executing this Letter Of Subordination Of Debts.

[To be given by companies/ directors / shareholders of the Customer]

LETTER OF SUBORDINATION OF DEBTS

To:

CIMB ISLAMIC BANK BERHAD [Registration No. 200401032872 (671380-H)]

Dear Sirs,

Re: **Letter of Subordination of Debts**

Customer:

Banking Facilities of RM

1. In consideration of you having granted and/or agreed to grant and/or continuing to and/or made available the banking facilities in the principal sum of Ringgit Malaysia _____

_____ (RM _____)

only (hereinafter referred to as "the Banking Facilities") in favour of _____

_____ a company incorporated in Malaysia under the Companies Act 2016 and having its registered office at _____

_____ (hereinafter referred to as "the Customer") for the purposes and subject to the terms and conditions as specified in the letter of offer dated _____ and the facilities agreement dated the _____ entered into between you and the Customer (hereinafter collectively referred to as "the Agreements") at my/our request, I/we, the undersigned, as the * directors and/or the shareholders of the Customer do hereby jointly and severally undertake and agree that any existing loans/financing and/or advances which I/we may have advanced to the Customer for RM _____ and any further or future loans and/or advances which I/we may hereafter advance, grant or make available to the Customer by me/us or any of us to the Customer (hereinafter collectively referred to as "the Subordinated Debts") whether before or after the granting of the Banking Facilities by you shall be subordinated until the Banking Facilities together with profit thereon and all other monies payable by the Customer ("the Indebtedness") has been settled and paid in full to you.

2. I/We also hereby irrevocably and unconditionally agree and undertake that during the subsistence of the Banking Facilities and until the Indebtedness has been settled and paid in full by the Customer to you, I/we shall:-
- (a) not receive or require or demand any repayment/payment for the principal amount of the Subordinated Debts or any interest/profit thereon from the Customer;

- (b) not enter into any arrangement with the Customer or amongst ourselves under which any of my our/rights in respect of all or any part of the Subordinated Debts is transferred to the Customer, or person under the direct or indirect control of the Customer or a person acting for the Customer or for a person so controlled by the Customer or me/us;

** Delete whichever is not applicable.*

- (c) not enforce any of the obligations under any arrangement or agreement whatsoever entered or to be entered into between the Customer and me/us or any of us, whether prior to the Banking Facilities or otherwise, to recover the Subordinated Debts and/or interest thereon;
- (d) not, on the ground of any liability of the Customer under the Subordinated Debts or any agreement whatsoever, claim any set-off, abatement or other extinction or reduction in respect of an amount payable by me/us or any of us to the Customer;
- (e) ensure that the Customer shall not enter into any arrangement with or for the benefit of me/us or any of us for a consideration the value of which will reduce or diminish the Subordinated Debts;
- (f) ensure that the Customer shall not:-
 - (i) make a loan/financing or provide credit to me/us or any of us (or permit any such to remain outstanding);
 - (ii) provide a guarantee or other security in respect of any liability or obligation incurred by me/us or any of us whether before or after the date hereof;
 - (iii) make any kind of distribution of its assets, whether in cash or otherwise, to its members including any issue of shares, whether as fully or partly credited as paid, bonus shares, the redemption or purchase of any of the Customer's own shares or the reduction of the Customer's share capital or the declaration or payment of any dividend or the declaration or payment of dividend in excess of the quantum permitted by you.
- (g) ensure and undertake that any money or other asset which I/we or any of us receive in contravention of this Letter of Subordination shall be held by me/us jointly and severally in trust for you and shall stand charged by way of first fixed charge to secure the liabilities of the Customer under the Agreements and that your prior written consent shall be obtained before I/we or any of us deal with any such money or asset.

3. You shall be entitled:-

- (a) to make any variations to the Agreements and/or any other agreement in respect of the Banking Facilities or restructure or vary the limits of any part or all the Banking Facilities including variations which increase or reduce the obligations of the Customer and/or lengthen or shorten their duration;
- (b) to enter into any rescheduling, refinancing or reorganisation of the Customer's liabilities under any of the Agreements in respect of the Banking Facilities; and
- (c) to take, vary, enforce or enter into any other arrangement in relation to any guarantee or other security for or connected with the Customer's liabilities under any of the Agreements in respect of the Banking Facilities, without affecting any undertaking herein.

4. I/We shall not vary, amend, delete the Memorandum and Articles of Association of the Customer inconsistent with the agreement and undertakings herein or charge or transfer the assets or business of the Customer or otherwise dispose of my/our shareholdings (if any) if in

the Customer or in any way cease to exercise control over the Customer or permit any merger, consolidation or re-organisation of the Customer unless your written consent thereof has been first obtained or until the Banking Facilities and the Indebtedness have been fully settled and repaid to you.

5. In the event any other shareholders and/or directors of the Customer shall provide any advances or loans/financing to the Customer, I/we shall procure that they provide a letter of undertaking to subordinate any such advances or loans/financing advanced or to be advanced to the Customer in the form acceptable to you.
6. The above agreement and undertakings shall bind my/our heirs, administrators personal representatives and successors-in-title.

Dated this _____ day of _____ 20

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|--------------|----------------------|
| 1. ....      | .....                |
| Signature    | Signature of Witness |
| Name :       | Name :               |
| NRIC No. :   | NRIC No. :           |
| Occupation : | Occupation :         |
| Date :       | Address :            |
| Address :    |                      |

|              |                      |
|--------------|----------------------|
| 2. ....      | .....                |
| Signature    | Signature of Witness |
| Name :       | Name :               |
| NRIC No. :   | NRIC No. :           |
| Occupation : | Occupation :         |
| Date :       | Address :            |
| Address :    |                      |

|              |                      |
|--------------|----------------------|
| 3. ....      | .....                |
| Signature    | Signature of Witness |
| Name :       | Name :               |
| NRIC No. :   | NRIC No. :           |
| Occupation : | Occupation :         |
| Date :       | Address :            |
| Address :    |                      |