



BURSA MALAYSIA SECURITIES CLEARING SDN BHD

Date : 19 April 2007	No : SBL 1/2007
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AMENDMENTS TO THE BURSA SECURITIES BORROWING AND LENDING (BURSA SBL) TERMS AND CONDITIONS FOR BORROWER

Kindly be advised that pursuant to Condition 23 of the Bursa SBL (Terms and Conditions for Borrower) ("the T&C for Borrower"), the T&C for Borrower have been amended as set out in "ANNEXURE 1" appended herewith ("the T&C for Borrower Amendments").

The T&C for Borrower Amendments shall take effect on 30 April 2007.

A copy of the amended T&C for Borrower is attached herewith as "ANNEXURE 2".

Clearing and Settlement Operations

“ANNEXURE 1”

AMENDMENTS TO BURSA SBL TERMS AND CONDITIONS FOR BORROWER

EXISTING PROVISIONS		AMENDED PROVISIONS	
Condition 3.5	The Borrower may view the status of its Borrowing Request through the Bursa SBL System. Bursa Clearing (S) shall not be obliged to inform the Borrower separately, whether or not in writing, of the status of the Borrowing Request. A Borrowing Request <i>that has not been approved by Bursa Clearing (S)</i> shall lapse <i>at the Close of Business on the same day the Borrowing Request is submitted by the Borrower to Bursa Clearing (S)</i> .	Condition 3.5	The Borrower may view the status of its Borrowing Request through the Bursa SBL System. Bursa Clearing (S) shall not be obliged to inform the Borrower separately, whether or not in writing, of the status of the Borrowing Request. A Borrowing Request shall lapse under such circumstances as prescribed by Bursa Clearing (S) in the SBL Circulars.

Bursa SBL

Terms and Conditions for Borrower

1. Definitions

1.1 When used herein, unless the context otherwise requires:-

“Act of Insolvency” means in relation to the Borrower:

- (i) its making a general assignment for the benefit of, or entering into a reorganisation, arrangement, or composition with creditors; or
- (ii) its stating in writing that it is unable to pay its debts as they become due; or
- (iii) its seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property; or
- (iv) the presentation or filing of a petition in respect of it in any court or before any agency alleging or for the bankruptcy, winding-up or insolvency (or any analogous proceeding) or seeking any reorganisation, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition not having been stayed or dismissed within 30 days of its filing (except in the case of a petition for winding-up or any analogous proceeding in respect of which no such 30 day period shall apply); or
- (v) the appointment of a receiver, administrator, liquidator or trustee or analogous officer of over all or any material part of the Borrower's property; or
- (vi) its becoming insolvent or it is presumed by the court to be insolvent within the meaning of the Companies Act 1965 of Malaysia;

“Alternative Collateral” means Collateral having a Collateral Value equal to the Collateral delivered pursuant to **Condition 7** and provided by way of substitution for Collateral originally delivered or previously substituted in accordance with **Condition 7.5** or **7.6**;

“Application” means an application in writing in the form and manner prescribed by Bursa Clearing (S) by which a person, specified by Bursa Clearing (S) in the SBL Circulars or in the Rules as being eligible, applies to participate as a Borrower in the Bursa SBL;

“Bank Guarantee” means an irrevocable, non-assignable and non-transferable bank guarantee, issued in favour of Bursa Clearing (S) by a bank acceptable to Bursa Clearing (S), at the request and on account of the Borrower, in the form prescribed by Bursa Clearing (S);

“Books Closing Date” means, in relation to any Loaned Securities or Securities Collateral, the specific time and date set by an issuer of such Loaned Securities or Securities Collateral for the purpose of determining entitlements to dividends, allotments or other distributions or rights of holders of its securities;

“Borrower” means a person whose Application has been approved by Bursa Clearing (S);

“Borrower’s Client” means a client of the Borrower to whom or on whose behalf the Loaned Securities procured by the Borrower from Bursa Clearing (S) pursuant to these SBL Conditions, are lent;

“Borrowing Request” shall have the meaning given in **Condition 3.1**;

“Bursa” means Bursa Malaysia Berhad;

“Bursa Clearing (D)” means Bursa Malaysia Derivatives Clearing Berhad;

“Bursa Clearing (S)” means Bursa Malaysia Securities Clearing Sdn Bhd;

“Bursa Clearing (S)’s Bank Account” means such Ringgit Malaysia or foreign currency account with such bank in Malaysia as may be designated by Bursa Clearing (S), to which the Borrower shall deliver the Cash Collateral;

“Bursa Depository” means Bursa Malaysia Depository Sdn Bhd;

“Bursa Derivatives” means Bursa Malaysia Derivatives Berhad;

“Bursa Group” means Bursa Malaysia Berhad and its subsidiaries where the word “subsidiary” shall have the same meaning as assigned to it by Section 5 of the Companies Act 1965 of Malaysia and reference to the Group shall mean any or all of the Group, in whole or in part;

“Bursa Securities” means Bursa Malaysia Securities Berhad;

“Bursa SBL” means the Securities borrowing and lending business established and operated by Bursa Clearing (S) acting as a central lending agency;

“Bursa SBL System” means the system for Securities borrowing and lending established and operated by Bursa Clearing (S) for carrying out transactions relating to the Bursa SBL and/or transactions contemplated under these SBL Conditions;

“Bursa Website” means the collection of web pages to be found at www.bursamalaysia.com maintained by or for Bursa;

“Business Day” means any day of the week excluding Saturdays, Sundays and public holidays on which commercial banks in Malaysia, Bursa Clearing (S), Bursa Securities and Bursa Depository are open for business;

“Cash Collateral” means Collateral that takes the form of a transfer of currency into the Bursa Clearing (S)'s Bank Account;

“Central Depository System” means the system established and operated by Bursa Depository for the central handling of securities whereby all dealings in respect of such securities are effected by means of entries in securities accounts without the physical delivery of scrips or which permits or facilitates the settlement of securities transactions or dealing in securities without the physical delivery of scrips;

“Close of Business” means 5.00 pm of any Business Day or such other time of a Business Day as may be determined by Bursa Clearing (S);

“Closing Price” means the price at which any Securities is last traded on a particular Market Day at Close of Business of Bursa Securities on such Market Day, or if such price is unavailable on such Market Day, the price last traded on the immediately preceding Market Day on which such price is available;

“Collateral” means such Securities, transfer of currency, Bank Guarantee(s), Letter(s) of Credit, or Other Collateral or any combination thereof, as may be prescribed by Bursa Clearing (S) in the SBL Circulars from time to time as being acceptable and which are delivered by the Borrower to Bursa Clearing (S) in accordance with the SBL Conditions and shall include Alternative Collateral and all Collateral already delivered by the Borrower to Bursa Clearing (S) and which have not been repaid or redelivered by Bursa Clearing (S);

“Collateral Value” means the Value of Collateral after deduction of the applicable Hair Cut;

“Default Date” shall have the meaning given in **Condition 13.1**;

“Default Valuation Time” shall have the meaning given in **Condition 13.4**;

“Delivery Date” means the Business Day on which Bursa Clearing (S) delivers Loaned Securities to a Borrower against Collateral (where applicable) delivered by the Borrower to Bursa Clearing (S) in each case in accordance with these SBL Conditions;

“Eligible Securities” means the Securities prescribed by Bursa Clearing (S) in the SBL Circulars from time to time as approved for lending to or borrowing from Bursa Clearing (S);

“Equivalent Collateral” means, in relation to any Collateral provided pursuant to these SBL Conditions, securities, cash or other property, as the case may be, of an identical type, nominal value, description and amount determined by Bursa Clearing (S) to be equivalent to the particular Collateral provided. For the avoidance of doubt, in relation to Cash Collateral, it means an equal amount of the currency provided as Collateral; in relation to Collateral in the form of a Bank Guarantee or a Letter of Credit, that Bank Guarantee or Letter of Credit; in relation to Securities Collateral, the Equivalent Securities Collateral; and in relation to Other Collateral, such other forms of collateral as may be prescribed by Bursa Clearing (S) from time to time as being equivalent;

“Equivalent Loaned Securities” means in relation to any Loaned Securities, Securities of an identical type, nominal value, description and amount to such Loaned Securities or any Securities and/or money as may be determined by Bursa Clearing (S) to be equivalent to such Loaned Securities. If and to the extent that any Loaned Securities consists of Securities that have been subdivided or consolidated, made the subject of a bonus issue or event similar to any of the foregoing, the expression “Equivalent Loaned Securities” shall have the following meanings:-

- (a) in the case of subdivision or consolidation, the Securities into which the Loaned Securities have been subdivided or consolidated;
- (b) in the case of a bonus issue, Securities equivalent to the Loaned Securities together with the Securities allotted by way of bonus issue thereon; and
- (c) in the case of any event similar to any of the foregoing events, Securities equivalent to the Loaned Securities, together with or replaced by a sum of money and/or Securities equivalent to that received in respect of such Loaned Securities resulting from such event.

For the avoidance of doubt, in each of the cases at (a), (b) or (c) above, the amount of Equivalent Loaned Securities shall be such number of Securities as shall be determined by Bursa Clearing (S), at its sole and absolute discretion, as being equivalent to the Loaned Securities.

For this purpose, Securities are equivalent to other Securities where they are of an identical type, nominal value, description and amount or such Securities and/or money that may be determined by Bursa Clearing (S) to be equivalent to such Loaned Securities and such term shall include the certificate and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate);

“Equivalent Securities Collateral” means in relation to any Securities Collateral, Securities of an identical type, nominal value, description and amount to such Securities Collateral or any Securities and/or money as may be determined by Bursa Clearing (S) to be equivalent to such Securities Collateral. If and to the extent that any Securities Collateral consists of Securities that are subdivided, consolidated, made the subject of a bonus issue or event similar to any of the foregoing, the expression “Equivalent Securities Collateral” shall have the following meanings:-

- (a) in the case of subdivision or consolidation, the Securities into which the Securities Collateral have been subdivided or consolidated;
- (b) in the case of a bonus issue, Securities equivalent to the Securities Collateral together with the Securities allotted by way of bonus issue thereon; and
- (c) in the case of any event similar to any of the foregoing events, Securities equivalent to the Securities Collateral, together with or replaced by a sum of money and/or Securities equivalent to that received in respect of such Securities Collateral resulting from such event.

For the avoidance of doubt, in each of the cases at (a), (b) or (c) above, the

amount of Equivalent Securities Collateral shall be such number of Securities as shall be determined by Bursa Clearing (S), at its sole and absolute discretion, as being equivalent to the Securities Collateral.

For this purpose, Securities are equivalent to other Securities where they are of an identical type, nominal value, description and amount or such Securities and/or money that may be determined by Bursa Clearing (S) to be equivalent to such Securities Collateral and such term shall include the certificate and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate);

“Events of Default” means the occurrence of any one of the following events:-

- (a) the Borrower fails to deliver Collateral or additional Collateral in the manner as provided in these SBL Conditions;
- (b) the Borrower fails to comply with its obligations under **Condition 7**;
- (c) the Borrower fails to comply with its obligations under **Condition 8**;
- (d) the Borrower fails to comply with its obligations to redeliver Equivalent Loaned Securities in accordance with **Condition 11**;
- (e) the Borrower fails to pay when due any amount due and payable to Bursa Clearing (S);
- (f) if an Act of Insolvency occurs with respect to the Borrower;
- (g) any representation or warranty made by the Borrower is incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated;
- (h) the Borrower admits to Bursa Clearing (S) that it is unable to, or it intends not to, perform any of its obligations under these SBL Conditions;
- (i) the Borrower is declared in default of, or is suspended or expelled from participation in, Bursa Securities, Bursa Derivatives, Bursa Clearing (D) or Bursa Clearing (S) or pursuant to the Rules or suspended or prohibited from dealing or clearing in securities or being a user of the Central Depository System by any regulatory authority;
- (j) any of the assets of the Borrower or the assets of investors held by or to the order of the Borrower is transferred or ordered to be transferred to a trustee (or a person exercising similar functions) by a regulatory authority pursuant to the Rules or any securities regulating legislation;
- (k) any event or circumstance which, in the opinion of Bursa Clearing (S), is likely to have a material or adverse effect on the ability of the Borrower to perform any or all of its obligations under or to comply with these SBL Conditions;
- (l) any event or circumstance which, in the opinion of Bursa Clearing (S), renders it impossible or unlawful for the Borrower to perform any or all of its

obligations under these SBL Conditions or for Bursa Clearing (S) to exercise any of its rights hereunder;

- (m) the Borrower ceases or threatens to cease substantially to carry on its business;
- (n) the Borrower fails to perform any other of its obligations under these SBL Conditions;
- (o) the Borrower fails to perform any of its obligations in relation to borrowing and lending of securities pursuant to these SBL Conditions or otherwise;
- (p) the Borrower is in breach of any terms and conditions issued by Bursa Clearing (S) or of any agreement entered into with Bursa Clearing (S),

provided that the occurrence of any of the events mentioned above (other than the events mentioned in paragraphs (f), (i) and (j) above) shall not constitute an Event of Default unless Bursa Clearing (S) shall have served a notice on the Borrower in accordance with **Condition 12.1**;

“Hair Cut” means the percentage prescribed by Bursa Clearing (S) in the SBL Circulars from time to time by which the Value of Collateral is reduced;

“Income” means any interest, dividends or other distributions of any kind whatsoever with respect to any Loaned Securities or Securities Collateral;

“Letter of Credit” means an irrevocable, non-assignable and non-transferable standby letter of credit, issued in favour of Bursa Clearing (S) in the form prescribed by Bursa Clearing (S), by a bank acceptable to Bursa Clearing (S) for the account of the Borrower;

“Loan” means the delivery of Loaned Securities by Bursa Clearing (S) to the Borrower, against the delivery of Collateral (where applicable) by the Borrower to Bursa Clearing (S), with a simultaneous agreement by the Borrower to redeliver to Bursa Clearing (S) the Equivalent Loaned Securities on the Termination Date subject to these SBL Conditions. In the event that a portion of Loaned Securities delivered by Bursa Clearing (S) to the Borrower remains after a redelivery of Equivalent Loaned Securities by the Borrower to Bursa Clearing (S) has been made, the balances of such Loaned Securities shall remain as a “Loan”;

“Loaned Securities” means such Securities which are the subject of an outstanding Loan;

“Loan Value” means the total Value of the Loaned Securities to which the applicable Margin has been added;

“Mandatory Corporate Action” means a bonus issue of Securities, subdivision or consolidation of Securities which is undertaken by an issuer on a stand alone basis or which is inter-conditional with each other;

“Margin” means the percentage prescribed by Bursa Clearing (S) in the SBL Circulars from time to time as required to be added to the Value of the Loaned Securities;

“Market Day” means a day on which the stock market maintained by Bursa Securities is open for trading in Securities;

“Market Value” subject to **Condition 13.5**, means:-

- (a) in relation to Equivalent Collateral at a particular time:-
- (i) in relation to Equivalent Collateral in the form of a Bank Guarantee or a Letter of Credit, the value stated on the Bank Guarantee or Letter of Credit;
 - (ii) in relation to Equivalent Collateral in the form of Cash Collateral, the amount of the currency of the Cash Collateral concerned;
 - (iii) in relation to Equivalent Securities Collateral, the amount which would be received on a sale of such Equivalent Securities Collateral at the Closing Price of the Equivalent Securities Collateral at such time less all brokers' fees and commissions, transfer taxes and all other costs, fees and expenses that would be incurred in connection with selling or realising such Equivalent Securities Collateral, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out such sale or realisation and adding thereto the amount of any Income paid to Bursa Clearing (S) and in respect of which equivalent amounts have not been paid to the Borrower in accordance with **Condition 8.1** prior to such time in respect of such Equivalent Securities Collateral or the original Collateral held gross of all and any tax deducted or paid in respect thereof; and
 - (iv) in relation to Equivalent Collateral in the form of the Other Collateral, the amount as may be determined by Bursa Clearing (S) to be equivalent to the market value of such Other Collateral concerned;
- (b) in relation to Equivalent Loaned Securities at a particular time, the amount it would cost to buy such Equivalent Loaned Securities at the Closing Price of the Equivalent Loaned Securities at such time together with all brokers' fees and commissions, transfer taxes and all other costs, fees and expenses that would be incurred in connection therewith, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out such purchase, and adding thereto the amount of any Income paid to the Borrower and in respect of which equivalent amounts have not been paid to Bursa Clearing (S) in accordance with **Condition 8.1** prior to such time in respect of such Equivalent Loaned Securities or the original Loaned Securities lent gross of all and any tax deducted or paid in respect thereof.

“Other Collateral” means such other forms of collateral as may be prescribed by Bursa Clearing (S) in the SBL Circulars from time to time as being acceptable to Bursa Clearing (S);

“Party” means Bursa Clearing (S) or the Borrower, as the case may be;

“Parties” means both Bursa Clearing (S) and the Borrower;

“**Relevant Values**” shall have the meaning given in **Condition 13.2**;

“**Ringgit Malaysia**” means the lawful currency of Malaysia;

“**Rules**” means all rules and directions of, and/or governing, Bursa Securities, Bursa Derivatives, Bursa Clearing (S) and Bursa Depository as well as all relevant laws and regulations governing Bursa Securities and Bursa Clearing (S) as amended, modified, varied, supplemented or replaced from time to time either collectively or individually as the context may require;

“**Securities**” means securities listed on the official list of Bursa Securities;

“**Securities Account**” means a securities account maintained with Bursa Depository;

“**Securities Collateral**” means Collateral in the form of Securities;

“**SBL Circulars**” means any circulars, guidelines, procedures, terms and conditions and all other written requirements as may be prescribed and issued from time to time by Bursa Clearing (S), whether or not electronically, relating to the Bursa SBL and/or these SBL Conditions and/or the transactions contemplated under these SBL Conditions;

“**SBL Account Opening Form**” means a written application in the form prescribed by Bursa Clearing (S) requesting to open an SBL account for a Loan and specifying, inter alia, the following:-

- (a) the details of the relevant Borrower’s Client, where applicable; and
- (b) the account number of the Securities Account into which the Loaned Securities are to be credited or from which the Equivalent Loaned Securities are to be debited or redelivered;

“**SBL Conditions**” means the Application together with the Bursa SBL (Terms and Conditions for Borrower) as set out herein as the same may be amended, modified or varied from time to time, and shall include the SBL Circulars for the time being in force;

“**Termination Date**” means the day on which termination of a Loan occurs in accordance with the provisions of **Condition 9(a), (b) or (c)**, as the case may be. Where such day is not a Business Day, then the Termination Date shall fall on the next Business Day;

“**Value**” means:

- (a) in relation to the valuation of Loaned Securities, Equivalent Loaned Securities, Securities Collateral or Equivalent Securities Collateral on any day and subject to **Condition 7.11**, the price that is equal to the Closing Price of such Loaned Securities, Equivalent Loaned Securities, Securities Collateral or Equivalent Securities Collateral, in each case on the Market Day immediately preceding such day on which the valuation is to be made
Provided that:-

- (i) should any Loaned Securities or Equivalent Loaned Securities be suspended from trading on Bursa Securities on such Market Day or any part of such Market Day, the value means the price that is equal to the last traded price of such Loaned Securities or Equivalent Loaned Securities on Bursa Securities immediately preceding such suspension;
- (ii) should any Securities Collateral or Equivalent Securities Collateral be suspended from trading on Bursa Securities on such Market Day or any part of such Market Day, the value means a price as may be determined by Bursa Clearing (S), at its sole discretion, and such price may either be nil or the last traded price of such Securities Collateral or Equivalent Securities Collateral on Bursa Securities immediately preceding such suspension;
- (b) in relation to a Bank Guarantee or a Letter of Credit, the value stated in such Bank Guarantee or Letter of Credit;
- (c) in relation to Cash Collateral, the amount of the currency concerned; and
- (d) in relation to Other Collateral, such value as may be prescribed by Bursa Clearing (S) in the SBL Circulars from time to time.

2. Interpretation

2.1 In these SBL Conditions, unless otherwise expressed to the contrary:-

- (a) Words in the singular shall include the plural and words in the plural shall include the singular.
- (b) Words importing the masculine gender shall include the female and neuter genders.
- (c) Any reference to “Condition” in these SBL Conditions is to a condition of these SBL Conditions.
- (d) Notwithstanding the use of expressions such as “borrow”, “lend”, “Collateral”, “Margin”, “Hair Cut”, “redeliver” and other similar expressions which reflect terminology used in the market for transactions of the kind provided for in these SBL Conditions, title to Loaned Securities “borrowed” by or “lent” to Bursa Clearing (S) and “Collateral” delivered in accordance with these SBL Conditions shall pass from one Party to the other as provided for in these SBL Conditions and the Party obtaining such title is obliged to redeliver the Equivalent Loaned Securities or Equivalent Collateral, as the case may be, to the other Party in accordance with these SBL Conditions.
- (e) For the purposes of determining any prices, sums or values (including Value, Relevant Value, Market Value) prices, sums or values stated in currencies other than Ringgit Malaysia may be converted into Ringgit Malaysia at the rate of exchange as may be prescribed by Bursa Clearing (S).

(f) All headings are provided for ease of reference only and shall not affect the interpretation or construction of these SBL Conditions.

2.2 Bursa Clearing (S) may from time to time issue the SBL Circulars which are to be read together with these SBL Conditions and form part of these SBL Conditions. The SBL Circulars, which are available on the Bursa Website, are binding on all Borrowers.

3. The Loaned Securities

3.1 The Borrower shall submit a request to borrow Eligible Securities to Bursa Clearing (S) (“Borrowing Request”), which includes, amongst others, the following:-

- (a) the description and quantity of the Eligible Securities it wishes to borrow;
- (b) the account number of the Securities Account into which the Loaned Securities are to be credited; and
- (c) the Delivery Date.

3.2 Any approval of the Borrowing Request by Bursa Clearing (S) shall be subject to the following conditions precedent:-

- (a) the Borrower has provided adequate Collateral to Bursa Clearing (S) in accordance with **Condition 7** of these SBL Conditions;
- (b) no Event of Default has occurred in relation to the Borrower; and
- (c) by approving or proceeding with the Borrowing Request, Bursa Clearing (S)’s action shall not be inconsistent with the requirements of any relevant law, court order or request of any relevant authority.

3.3 Bursa Clearing (S) reserves the right to reject any Borrowing Request for any reason whatsoever and without disclosing reasons for such rejection. Bursa Clearing (S) shall not be liable for any consequences of such rejection.

3.4 Upon the approval of the Borrowing Request by Bursa Clearing (S), Bursa Clearing (S) will lend the Loaned Securities to the Borrower, and the Borrower will borrow the Loaned Securities from Bursa Clearing (S) upon the terms and conditions contained in these SBL Conditions.

3.5 The Borrower may view the status of its Borrowing Request through the Bursa SBL System. Bursa Clearing (S) shall not be obliged to inform the Borrower separately, whether or not in writing, of the status of the Borrowing Request. A Borrowing Request shall lapse under such circumstances as prescribed by Bursa Clearing (S) in the SBL Circulars.

3.6 The Borrower may vary or revoke any Borrowing Request in the manner as may be prescribed by Bursa Clearing (S) provided that the same has not lapsed or been approved by Bursa Clearing (S).

- 3.7 Each Loan of the Loaned Securities shall commence on its Delivery Date and continue until terminated in accordance with **Condition 9**.

4. Delivery of Loaned Securities

- 4.1 The Borrower hereby authorises Bursa Clearing (S) to deliver any Loaned Securities or part thereof to the Securities Account(s) as stated in the SBL Account Opening Form.
- 4.2 Upon approval of the Borrowing Request and subject to the fulfilment of **Condition 3.2**, Bursa Clearing (S) shall deliver the Loaned Securities to the Securities Account(s) as stated in the SBL Account Opening Form. Delivery of the Loaned Securities shall take place by Bursa Depository crediting the Loaned Securities into the Securities Account(s) as stated in the SBL Account Opening Form. The Borrower authorises Bursa Clearing (S) to instruct Bursa Depository to make such credit.
- 4.3 Bursa Clearing (S) shall be deemed to have delivered the Loaned Securities to the Borrower upon the credit of such Loaned Securities into the Securities Account(s) as stated in the SBL Account Opening Form.
- 4.4 If Bursa Clearing (S) does not deliver the Loaned Securities to the Borrower by the Delivery Date or such other period as may be agreed to between the Parties, Bursa Clearing (S) agrees to pay to the Borrower, on demand made in the manner as may be prescribed by Bursa Clearing (S), all such costs and expenses which arise directly from such failure excluding:-
- (a) such costs and expenses which arise from the negligence or default of the Borrower; and
 - (b) indirect or consequential losses.

5. Delivery of Securities and Passing of Rights, Title and Interest

- 5.1 The Parties shall execute and deliver all necessary documents and give all necessary instructions to procure that all rights, title and interest in:-
- (a) any Loaned Securities borrowed pursuant to **Condition 3** and delivered pursuant to **Condition 4**;
 - (b) any Equivalent Loaned Securities redelivered pursuant to **Condition 11**;
 - (c) any Collateral delivered pursuant to **Condition 7**; and
 - (d) any Equivalent Collateral redelivered pursuant to **Condition 11**,

shall pass from one Party to the other Party subject to these SBL Conditions, on delivery or redelivery of the same in accordance with these SBL Conditions free from all liens, charges and encumbrances. In the case of Loaned Securities, Securities Collateral, Equivalent Loaned Securities or Equivalent Securities Collateral title to which is registered in the Central Depository System or such

computer based system which provides for the recording and transfer of title to the same by way of book entries, delivery and transfer of title shall take place in accordance with the rules and procedures of the Central Depository System or such computer based system as in force from time to time. The Party acquiring such rights, title and interest shall have no obligation to return or redeliver any of the assets so acquired except that, in so far as any Loaned Securities are borrowed by or any Collateral is delivered to such Party, such Party shall be obliged, subject to these SBL Conditions, to redeliver Equivalent Loaned Securities or Equivalent Collateral as appropriate. With respect to the Other Collateral, delivery and transfer of title of such Other Collateral shall take place in the manner prescribed by Bursa Clearing (S) from time to time.

5.2 The following provisions shall apply in respect of Income being paid in relation to any Loaned Securities, Securities Collateral or any Other Collateral:-

- (a) in the case of Income being paid in respect of Loaned Securities, the Borrower shall provide to Bursa Clearing (S) any endorsements or assignments as shall be customary and appropriate to effect the delivery of money or property equivalent to the type and amount of such Income, irrespective of whether the Borrower received the same; and
- (b) in the case of Income being paid in respect of Securities Collateral or any Other Collateral, Bursa Clearing (S) shall provide to the Borrower any endorsements or assignments as shall be customary and appropriate to effect the delivery of money or property equivalent to the type and amount of such Income irrespective of whether Bursa Clearing (S) received the same in respect of any Securities Collateral or any Other Collateral.

5.3 The Borrower agrees to waive and relinquish in Bursa Clearing (S)'s favour all claims for income that might otherwise accrue with respect to the Cash Collateral. Accordingly, **Condition 5.2** shall not apply to any income paid in respect of any Cash Collateral. Subject to the foregoing, Bursa Clearing (S) may in its absolute discretion elect to pay the Borrower interest on the Cash Collateral deposited with Bursa Clearing (S). If Bursa Clearing (S) elects to pay interest thereon, Bursa Clearing (S) reserves the right to pay interest at such rate and on such terms as may be determined by Bursa Clearing (S) in its sole and absolute discretion subject to deductions as may be required by law.

5.4 Bursa Clearing (S) reserves the right to deal with any Collateral delivered to or deposited with Bursa Clearing (S) in such manner as it deems fit, including without limitation the right to deal with the Collateral as Loaned Securities pursuant to a Borrowing Request by another Borrower or for the purpose of redelivery of Equivalent Loaned Securities to a lender as determined by Bursa Clearing (S).

6. Borrowing Fee And Related Charges

6.1 The Borrower shall pay to Bursa Clearing (S), in respect of each Loan, a borrowing fee (“the Borrowing Fee”) and any related charges as prescribed in the SBL Circulars, in the manner stipulated under **Condition 6.2**. Bursa Clearing (S) may, from time to time where it deems necessary in its absolute discretion, vary or change the Borrowing Fee and/or any related charges by prescription in the SBL Circulars and without further notice to the Borrower.

- 6.2 The Borrowing Fee shall accrue daily for each Loan, in respect of the period commencing on and including the Delivery Date and ending on but excluding the Termination Date. Notwithstanding the foregoing, where the Borrower fails to redeliver the Equivalent Loaned Securities in accordance with **Condition 11**, the Borrowing Fee shall continue to accrue until (but excluding) the Default Date or the date of redelivery by the Borrower of the Equivalent Loaned Securities, whichever shall be earlier. The Borrower shall pay the Borrowing Fee in arrear in the manner prescribed by Bursa Clearing (S) in the SBL Circulars.
- 6.3 Notwithstanding any other provisions of these SBL Conditions, any change to the matters described in this **Condition 6** shall take effect from the date such change is prescribed by Bursa Clearing (S) in the SBL Circulars.

7. Collateral

- 7.1 Subject to **Condition 7.2**, the Borrower shall deliver sufficient Collateral to Bursa Clearing (S) together with such appropriate instruments as may be requisite to vest title thereto in Bursa Clearing (S).
- 7.2 The Borrower shall not be obliged to comply with **Condition 7.1** if the aggregate Collateral Value of all Collateral still deposited with Bursa Clearing (S) pursuant to these SBL Conditions equals or exceeds the aggregate Loan Value of the Loaned Securities in respect of all Loans outstanding and the Loaned Securities to be delivered to the Borrower on such Delivery Date.
- 7.3 Where Securities Collateral is provided, the Borrower shall deliver the Securities Collateral by transferring the Securities Collateral into Bursa Clearing (S)'s Securities Account as specified by Bursa Clearing (S). With respect to Cash Collateral, the Borrower shall deliver the Cash Collateral by crediting the Cash Collateral into Bursa Clearing (S)'s Bank Account for good value on the same day. With respect to the Other Collateral, Borrower shall deliver such Other Collateral in the manner prescribed by Bursa Clearing (S) from time to time.
- 7.4 The Securities Collateral shall be deemed to have been delivered by the Borrower to Bursa Clearing (S) upon the credit of such Securities Collateral into Bursa Clearing (S)'s Securities Account as specified by Bursa Clearing (S). With respect to Cash Collateral, such Cash Collateral shall be deemed to have been delivered by the Borrower to Bursa Clearing (S) upon the credit of such Cash Collateral into Bursa Clearing (S)'s Bank Account for good value on the same day. With respect to the Other Collateral, such Other Collateral shall be deemed to have been delivered by the Borrower to Bursa Clearing (S) in the manner prescribed by Bursa Clearing (S) from time to time.
- 7.5 Bursa Clearing (S) reserves the right to refuse or reject Collateral it deems unacceptable for any reason whatsoever, including the right to demand that a Borrower provides Alternative Collateral for Collateral which has been previously accepted. Where such demand is made, the Borrower shall deliver Alternative Collateral acceptable to Bursa Clearing (S) within such time as may be prescribed by Bursa Clearing (S) in the SBL Circulars.

- 7.6 The Borrower may from time to time make a request electronically through the Bursa SBL System or in such other manner as may be prescribed by Bursa Clearing (S) for the repayment of any Cash Collateral, the reduction in the value of or the cancellation of the Bank Guarantee(s) or Letter(s) of Credit provided by way of Collateral or the redelivery of Equivalent Collateral delivered to Bursa Clearing (S) prior to the date on which the same would otherwise have been repayable or redeliverable in accordance with **Condition 11**, provided that at the time of such repayment, reduction in value, cancellation or redelivery, the Borrower shall have delivered Alternative Collateral acceptable to Bursa Clearing (S) and the Borrower is in compliance with **Condition 7.8**.
- 7.7 It is expressly agreed that the substitution of any Collateral deposited with Bursa Clearing (S) with Alternative Collateral as provided in this **Condition 7** shall not affect the validity of these SBL Conditions nor shall it be regarded as a novation of any of the terms and conditions of these SBL Conditions.
- 7.8 The Borrower agrees and undertakes that the aggregate Collateral Value of all Collateral delivered to Bursa Clearing (S) (excluding any Equivalent Collateral Repaid or redelivered by Bursa Clearing (S)) (“Aggregated Collateral Value”) in respect of all Loans outstanding under these SBL Conditions shall at least equal the aggregate of the Loan Value (“Aggregated Loan Value”) in respect of all Loans or part thereof.
- 7.9 If at any time on any Business Day, the Aggregated Collateral Value exceeds the Aggregated Loan Value of all Loaned Securities in respect of all Loans outstanding, Bursa Clearing (S) shall, at the request made by the Borrower electronically through the Bursa SBL System, in the manner prescribed in the SBL Circulars, repay, reduce in value, cancel, and/or redeliver, as the case may be, to the Borrower such Equivalent Collateral as will eliminate the excess.
- 7.10 If at any time on any Business Day, the Aggregated Collateral Value falls below the Aggregated Loan Value of all Loaned Securities in respect of all Loans outstanding, the Borrower shall, on demand made by Bursa Clearing (S), whether or not electronically through the Bursa SBL System or in accordance with **Condition 22**, provide such further Collateral to Bursa Clearing (S) as will eliminate the deficiency in the manner prescribed in the SBL Circulars.
- 7.11 Notwithstanding any provision to the contrary contained in these SBL Conditions, Bursa Clearing (S) may, where it is of the opinion that the relevant underlying market for the Collateral is volatile, value or re-value Loaned Securities, Equivalent Loaned Securities, Collateral or Equivalent Collateral based on such reasonable price as Bursa Clearing (S) may, in its absolute discretion, deem fit.
- 7.12 Bursa Clearing (S) reserves the right to amend or change the Margin or Hair Cut at any time and to effect any such changes in the Loan as it may at its absolute discretion deem necessary and desirable PROVIDED THAT Bursa Clearing (S) shall give the Borrower prior notice specifying the amendment/change and the effective date of the amendment/change. The Borrower shall be deemed to have accepted and consented to the amendment/change by continuing with the Loan after the amendment/change takes effect.

7.13 If the Borrower borrows the Loaned Securities on behalf of or to be lent to the Borrower's Client, the Borrower shall ensure that such Borrower's Client provides collateral to the Borrower in accordance with such requirements as may be prescribed by Bursa Securities in relation to the Bursa SBL.

8. Distribution and Corporate Actions

8.1 Where Income is paid in relation to any Loaned Securities or Securities Collateral on or by reference to a Books Closing Date, the Borrower (in the case of Loaned Securities) and Bursa Clearing (S) (in the case of Securities Collateral) shall, within one (1) Business Day of the date of the payment of such Income, or on such other date as may be prescribed by Bursa Clearing (S) in the SBL Circulars from time to time, pay and deliver a sum of money or property in the manner prescribed by Bursa Clearing (S) from time to time determined by Bursa Clearing (S) to be equivalent to the type and amount of such Income that, in the case of Loaned Securities, Bursa Clearing (S) would have been entitled to receive had such Securities not been loaned to the Borrower and had been retained by Bursa Clearing (S) on the Books Closing Date, and, in the case of Securities Collateral, the Borrower would have been entitled to receive had such Securities Collateral not been provided to Bursa Clearing (S) and had been retained by Borrower on the Books Closing Date unless a different sum is agreed between the Parties. In the case of Income in the form of dividends in respect of Securities Collateral, Bursa Clearing (S) shall at its absolute discretion either deliver to the Borrower the relevant tax certificates or vouchers relating to such dividends, duly endorsed in favour of the Borrower or issue supplementary tax certificates or vouchers relating to such dividends in favour of the Borrower. In the event that Bursa Clearing (S) shall be unable to deliver such tax certificates or vouchers, Bursa Clearing (S) shall pay to the Borrower the gross amount of such dividends without deduction of any tax deducted from or imputed to such dividends. In the case of Income in the form of dividends in respect of Loaned Securities, the Borrower shall pay to Bursa Clearing (S) an amount of such dividends with or without deduction of tax imputed to such dividends, in accordance with the manner in which it would have been paid by the issuer of such Loaned Securities had such Securities not been loaned to the Borrower and had been retained by Bursa Clearing (S) on the Books Closing Date except that no tax certificate or voucher relating to such dividends shall be delivered to Bursa Clearing (S).

8.2 Where Income, in the form of Securities, is paid in relation to any Loaned Securities or Securities Collateral, such Securities shall be added to such Loaned Securities or Securities Collateral (and shall constitute Loaned Securities or Securities Collateral, as the case may be, and be part of the relevant Loan) and will not be delivered to Bursa Clearing (S), in the case of Loaned Securities, or to Borrower, in the case of Securities Collateral, until the Termination Date of the relevant Loan, provided that Bursa Clearing (S) or Borrower (as the case may be) fulfils their obligations under **Condition 7.8** with respect to the additional Loaned Securities or Securities Collateral, as the case may be.

- 8.3 Where, in respect of any Loaned Securities or Securities Collateral, Income in the form of any property apart from money or Securities (“the Said Property Income”) becomes payable prior to the redelivery of the Equivalent Loaned Securities or Equivalent Securities Collateral and Bursa Clearing (S) or the Borrower, as the case may be, wishes to receive the Said Property Income, then for the purpose of receiving the Said Property Income, Bursa Clearing (S) shall terminate the Loan in accordance with **Condition 9(b)**, or in the case of the Borrower, it shall request for a redelivery of the relevant Equivalent Securities Collateral in accordance with **Condition 7.6**. Where Bursa Clearing (S) or the Borrower, as the case may be, does not, for whatever reason, exercise its right to terminate the Loan or request for a redelivery of the relevant Equivalent Securities Collateral for the purpose of receiving the Said Property Income, it shall be deemed to have waived the same and shall have no claim against the other Party in respect of the Said Property Income.
- 8.4 Where any voting rights fall to be exercised in relation to any Loaned Securities or Securities Collateral, neither the Borrower nor Bursa Clearing (S) shall have any obligation to arrange for voting rights of that kind to be exercised in accordance with the instructions of the other Party in relation to the Securities borrowed by it or transferred to it by way of Collateral, as the case may be.
- 8.5 Where, in respect of any Loaned Securities or any Securities Collateral, any entitlement relating to a Mandatory Corporate Action becomes receivable prior to the redelivery of Equivalent Loaned Securities or Equivalent Securities Collateral, then Bursa Clearing (S) or the Borrower, as the case may be, shall receive Equivalent Loaned Securities or Equivalent Securities Collateral in such form as will arise if the entitlement is received. Where, in respect of any Loan Securities or any Securities Collateral, any rights relating to conversion, redemption, rights arising under a take-over offer, rights to receive Securities or a certificate which may at a future date be exchanged for Securities or other rights (“the Said Rights”), including those requiring election by the holder for the time being of such Loaned Securities or Securities Collateral, become exercisable, prior to the redelivery of Equivalent Loaned Securities or Equivalent Securities Collateral and the Borrower or Bursa Clearing (S) wishes to exercise the Said Rights, then for the purpose of exercising the Said Rights, Bursa Clearing (S) shall terminate the Loan in accordance with **Condition 9(b)**, or in the case of the Borrower, it shall request for a redelivery of the relevant Equivalent Securities Collateral in accordance with **Condition 7.6**. Where Bursa Clearing (S) or the Borrower, as the case may be, does not, for whatever reason, exercise its right to terminate the Loan or request for a redelivery of the relevant Equivalent Securities Collateral for the purpose of exercising the Said Rights, it shall be deemed to have waived the same and shall have no claim against the other Party in respect of the Said Rights.
- 8.6 Where, in respect of any Other Collateral, any entitlement relating to any corporate action becomes receivable or any rights relating to any corporate action becomes exercisable prior to the redelivery of the equivalent of such Other Collateral as determined by Bursa Clearing (S), the Borrower shall receive such entitlement or exercise such rights in the manner prescribed by Bursa Clearing (S) from time to time.

- 8.7 In relation to announcements made by an issuer of the Securities comprised in the Loaned Securities or Securities Collateral, pertaining to any action taken by such issuer in relation to or arising from its Securities, including payment of dividend, issue of bonus Securities and other rights and interests associated with its Securities, capital restructuring and Securities consolidation (“Corporate Actions”), Bursa Clearing (S) shall inform the Borrower of the issue of such announcements in the manner stipulated under **Condition 22** (“Corporate Action Notices”).

9. Termination of Loan

A Loan shall be terminated:-

- (a) immediately upon redelivery to Bursa Clearing (S) of all Loaned Securities by the Borrower in the form of Equivalent Loaned Securities; or
- (b) where termination is at the request of Bursa Clearing (S), upon the expiration of such number of days and in such manner as specified in the SBL Circulars following the date Bursa Clearing (S) issues a notice of termination to the Borrower; or
- (c) upon the occurrence of an Event of Default,

whichever shall be earlier, provided that redelivery of all or any part of the Equivalent Loaned Securities does not terminate the Borrower's responsibility to fulfil any and all of its other obligations under these SBL Conditions.

10. Partial redelivery

The Borrower shall have the right, at any time and from time to time, to redeliver a part of the Loaned Securities to Bursa Clearing (S) in the form of Equivalent Loaned Securities and Bursa Clearing (S) shall have the right, at any time and from time to time to request in the manner as may be prescribed by Bursa Clearing (S) that a part of the Loaned Securities be redelivered by the Borrower in the form of Equivalent Loaned Securities. Such redelivery or request for redelivery of Equivalent Loaned Securities shall be subject to these SBL Conditions and the SBL Circulars and the provisions of **Condition 11** which shall apply mutatis mutandis to such redelivery. For the avoidance of doubt, a partial redelivery of any part of the Loaned Securities in the form of Equivalent Loaned Securities shall not have the effect of terminating a Loan pursuant to these SBL Conditions where any balance of the Loaned Securities remains to be redelivered in the form of Equivalent Loaned Securities.

11. Redelivery of Equivalent Loaned Securities & Equivalent Collateral

- 11.1 The Borrower shall procure the redelivery of, or redeliver, the Equivalent Loaned Securities to Bursa Clearing (S) in accordance with this **Condition 11** prior to the Close of Business of Bursa Clearing (S) on the Termination Date on termination of the Loan. For the avoidance of doubt, any reference herein or in any other communication between the Parties to an obligation to redeliver or account for or act in relation to Loaned Securities shall accordingly be construed as a reference

to an obligation to redeliver or account for or act in relation to the Equivalent Loaned Securities.

- 11.2 Redelivery of the Equivalent Loaned Securities shall take place by Bursa Depository debiting the Equivalent Loaned Securities from the Securities Account(s) of the Borrower stated in the SBL Account Opening Form. The Borrower authorises Bursa Clearing (S) to instruct Bursa Depository to make such debit. The Equivalent Loaned Securities shall be deemed to have been redelivered by the Borrower upon such debit of the Equivalent Loaned Securities from the Securities Account(s) specified by the Borrower in the SBL Account Opening Form.
- 11.3 If the Borrower does not redeliver the Equivalent Loaned Securities to Bursa Clearing (S) in accordance with these SBL Conditions, in addition to Bursa Clearing (S)'s rights under these SBL Conditions, the Rules or laws, it shall be liable to pay to Bursa Clearing (S) a penalty fee of 1% of an amount equivalent to the Value of the Equivalent Loaned Securities as of the Termination Date (“the Penalty Fee”).
- 11.4 Upon the redelivery of the Equivalent Loaned Securities to Bursa Clearing (S) and subject to the Borrower having discharged all its existing obligations under the SBL Conditions, Bursa Clearing (S) shall, at the written request of the Borrower made electronically through the Bursa SBL System, redeliver to the Borrower the Equivalent Collateral. For the avoidance of doubt any reference herein or in any other communication between the Parties to an obligation to redeliver or account for or act in relation to Collateral shall accordingly be construed as a reference to an obligation to redeliver or account for or act in relation to Equivalent Collateral.
- 11.5 Redelivery of the Equivalent Securities Collateral shall take place by Bursa Clearing (S) causing the Equivalent Securities Collateral to be credited into the Securities Account(s) of the Borrower as specified by the Borrower electronically through the Bursa SBL System. The Equivalent Securities Collateral shall be deemed to have been redelivered by Bursa Clearing (S) upon such credit of the Equivalent Securities Collateral to the Securities Account(s) so specified by the Borrower.
- 11.6 Where a Bank Guarantee or a Letter of Credit is provided by way of Collateral, the obligation to redeliver Equivalent Collateral is satisfied by Bursa Clearing (S) redelivering for cancellation the Bank Guarantee or Letter of Credit so provided, or where the Bank Guarantee or Letter of Credit is provided in respect of more than one loan, by Bursa Clearing (S) redelivering for cancellation the Bank Guarantee or Letter of Credit so provided and receiving Alternative Collateral acceptable to Bursa Clearing (S) and the Borrower is in compliance with **Condition 7.8**.
- 11.7 Where Cash Collateral is provided by way of Collateral, the obligation to redeliver Equivalent Collateral is satisfied by Bursa Clearing (S) crediting the Cash Collateral into the bank account of the Borrower.
- 11.8 Where Other Collateral is provided by way of Collateral pursuant to **Condition 7.3**, redelivery of such Other Collateral by Bursa Clearing (S) shall be in the manner prescribed by Bursa Clearing (S) from time to time.

12. Events of Default

12.1 The Borrower shall notify Bursa Clearing (S) of the occurrence of any of the events mentioned in paragraphs (a) to (p) under the definition of “Events of Default”. Where the event of default is in relation to any of the events in paragraphs (a) to (p), other than the events mentioned in paragraphs (f), (i) and (j), Bursa Clearing (S) may, upon receipt of notification from the Borrower, or upon Bursa Clearing (S) becoming aware that such event has occurred, may serve a notice on the Borrower declaring that an Event of Default has occurred under these SBL Conditions.

12.2 Upon the occurrence of an Event of Default, Bursa Clearing (S) shall have the discretion to terminate any or all of the Loans granted to the Borrower.

13. Default Action

13.1 Without prejudice to its rights contained elsewhere in these SBL Conditions, upon the occurrence of an Event of Default and/or upon the expiration of the requisite notice served by Bursa Clearing (S) on the Borrower in the manner prescribed in the SBL Circulars, Bursa Clearing (S) may dispose of all or any part of the Securities Collateral deposited by the Borrower with Bursa Clearing (S) in the following manner. Where the Borrower has confirmed to Bursa Clearing (S) particulars of the Securities Collateral that are to be disposed of within the same Business Day of being notified so to do, Bursa Clearing (S) shall accordingly dispose of the same without further reference to the Borrower. In addition or in lieu of the foregoing, Bursa Clearing (S) may purchase all or any part of the Equivalent Loaned Securities. Bursa Clearing (S) may, upon a notice given to the Borrower in the manner prescribed in the SBL Circulars, declare that all or some of Parties’ delivery and payment obligations (and any other obligations they may have under these SBL Conditions) shall be accelerated so as to require performance thereof at the time such Default occurs (the date of which shall be the “Default Date”) so that performance of such delivery and payment obligations shall be effected only in accordance with the following provisions:-

- (a) the Relevant Value of the Securities which would have been required to be delivered but for such termination (or payment to be made, as the case may be) by each Party shall be established in accordance with **Condition 13.2**; and
- (b) on the basis of the Relevant Values so established, an account shall be taken (as at the Default Date) of what is due from each Party to the other under these SBL Conditions and (on the basis that each Party’s claim against the other in respect of delivery of Equivalent Loaned Securities or Equivalent Collateral or any cash payment equals the Relevant Value thereof) the sums due from one Party shall be set-off against the sums due from the other and only the balance of the account shall be payable by the Party having the claim valued at the lower amount pursuant to the foregoing.

13.2 For the purpose of **Condition 13.1**, the “Relevant Value”:-

- (a) of any cash payment obligation shall equal its par value (disregarding any amount taken into account under (b) or (c) below);

- (b) of any Equivalent Loaned Securities to be delivered by the Borrower to Bursa Clearing (S) shall, subject to **Condition 13.5** below, equal the Market Value thereof; and
- (c) of any Equivalent Collateral to be delivered by Bursa Clearing (S) to the Borrower shall, subject to **Condition 13.5** below, equal the Market Value thereof.

13.3 Further in the case of the set-off referred to in **Condition 13.1 (b)** above, Bursa Clearing (S) shall be entitled to apply all sums obtained or any other sum standing to the credit of the Borrower irrespective of whether such sums arose from a transaction or transactions effected pursuant to or contemplated by these SBL Conditions or otherwise, for the purpose of the set-off against the liabilities of the Borrower.

13.4 For the purposes of **Condition 13.2**, but subject to **Condition 13.5** below, the Market Value of any Securities shall be calculated as at the Close of Business on Bursa Securities for Securities of the relevant description (as determined by Bursa Clearing (S)) on the Default Date, or if the relevant Default occurs outside the business hours of Bursa Securities, on the first Market Day following the Default Date (“Default Valuation Time”) PROVIDED ALWAYS THAT in the case of Equivalent Securities Collateral or Equivalent Loaned Securities, as the case may be, that are suspended from trading on Bursa Securities as of the Default Valuation Time, the Closing Price shall mean the last traded price of such Equivalent Securities Collateral or Equivalent Loaned Securities, as the case may be, on Bursa Securities immediately preceding such suspension or such other price as may be determined by Bursa Clearing (S) at its absolute discretion.

13.5 (a) Where Bursa Clearing (S) has, following the occurrence of a Default purchased Securities forming part of the same issue and being of an identical type and description to those to be delivered by the Borrower and in substantially the same amount as those Securities or sold Securities or Other Collateral, where applicable, forming part of the same issue and being of an identical type and description to those to be delivered by it to the Borrower and in substantially the same amount as those Securities or Other Collateral, as the case may be, the cost of such purchase or the proceeds of such sale, as the case may be, (taking into account all reasonable costs, fees and expenses that would be incurred in connection therewith) shall be treated as the Market Value, as the case may be, of the relevant Securities or Other Collateral, respectively, for the purpose of this **Condition 13**.

- (b) Where Bursa Clearing (S) has following the occurrence of a Default purchased Securities or sold Securities or Other Collateral pursuant to **Condition 13.5(a)** above and such Securities or Other Collateral is not in substantially the same amount as those Securities or Other Collateral required to be valued for the purposes of **Condition 13.2** above, the Market Value of those Securities or Other Collateral required to be valued shall be determined by applying the following formula :

(Net proceeds of purchase or sale of Securities or Other Collateral)

X Amount to be valued

(Amount of Securities or Other Collateral purchased or sold)

- 13.6 For the avoidance of doubt, the provisions in **Conditions 13.1 to 13.5** shall not apply to the Loans which delivery and payment obligations have not been declared as being accelerated in accordance with **Condition 13.1** and the Borrower shall continue to fulfil all its obligations under these SBL Conditions in respect of such Loans.
- 13.7 Notwithstanding the provisions in **Conditions 13.1 to 13.5** and any other provisions in these SBL Conditions but without prejudice to the rights of Bursa Clearing (S) contained in these SBL Conditions, Bursa Clearing (S) may, upon the occurrence of an Event of Default, take any action as prescribed in the SBL Circulars and any action which Bursa Clearing (S) deems necessary for the protection of its interest and the interest of the market at the Borrower's expense and if appropriate in its name.
- 13.8 In addition, the Borrower shall be liable to Bursa Clearing (S) for the amount of all reasonable legal and other professional expenses incurred by Bursa Clearing (S) in connection with or as a consequence of an Event of Default, together with interest thereon calculated at the prevailing rate as published in the SBL Circulars. Interest will accrue daily on a compound basis and will be calculated according to the actual number of days elapsed.

14. Interest on Outstanding Payments

In the event of either Party failing to pay any sum when due in accordance with these SBL Conditions, such Party hereby undertakes to pay to the other Party upon demand interest (before as well as after judgement) on the net balance due and outstanding, for the period commencing on and inclusive of the original due date of payment to (but excluding) the date of actual payment, in the same currency as the principal sum and at the prevailing rate as published in the SBL Circulars. Interest will accrue daily on a compound basis and will be calculated according to the actual number of days elapsed.

15. Taxes

The Borrower hereby undertakes promptly to pay and account for any transfer or similar duties or taxes chargeable in connection with any transaction effected pursuant to or contemplated by these SBL Conditions, and shall indemnify and keep indemnified Bursa Clearing (S) against any liability arising as a result of the Borrower's failure to do so.

16. Borrower's Warranties

The Borrower hereby warrants and undertakes to Bursa Clearing (S) on a continuing basis to the intent that such warranties shall survive the completion and/or termination of the transaction contemplated herein that, where acting as a Borrower:-

- (a) it has all necessary licences and approvals, and is duly authorised and empowered, to perform its duties and obligations under these SBL Conditions and will do nothing prejudicial to the continuation of such authorisation, licences or approvals;
- (b) it is not restricted under the terms of its constitution or in any other manner from borrowing Securities in accordance with these SBL Conditions or from otherwise performing its obligations hereunder;
- (c) it is absolutely entitled to pass full legal and beneficial ownership of all Collateral provided by it hereunder to Bursa Clearing (S) free from all liens, charges and encumbrances;
- (d) it is acting as principal in respect of these SBL Conditions;
- (e) it is borrowing the Loaned Securities for any one of the following purposes:-
 - (i) to facilitate the settlement of a regulated short sale as defined in the Rules of Bursa Securities in Eligible Securities and which is effected in accordance with the Rules of Bursa Securities, whether on its own account or on account of the Borrower's Client;
 - (ii) to facilitate the settlement of a sale of Eligible Securities effected on Bursa Securities whether on the Borrower's own account or on account of the Borrower's Client where there are no Securities or insufficient Securities in the Securities Account of the Borrower or the Borrower's Client as will enable the Borrower or the Borrower's Client to meet its delivery obligations to the purchaser (in accordance with the Rules of Bursa Securities relating to delivery and settlement) pursuant to a sale trade executed by the Borrower or the Borrower's Client on Bursa Securities, as a result of a mistake however made when executing the sale trade provided always that the mistake was made in good faith and discovered only after the sale trade has been executed; or
 - (iii) for such other purposes as may be determined by Bursa Clearing (S) pursuant to the Rules of Bursa Clearing (S).
- (f) the Securities Account(s) stated in the SBL Account Opening Form shall be used for the specific primary purpose of facilitating Securities borrowing and lending transactions under these SBL Conditions, in accordance with relevant conditions or requirements as may be prescribed by Bursa Depository;
- (g) for so long as the Loan shall remain outstanding, it shall not close, or it shall ensure no closure of, the Securities Account(s) stated in the SBL Account Opening Form; and
- (h) the Borrower shall comply with all other requirements in relation to the Bursa SBL imposed by the taxation authorities in Malaysia in order to qualify for relief from stamp duty and income tax.

16A. Indemnity

The Borrower shall indemnify and hold Bursa Clearing (S) harmless from and against any and all losses, claims, liabilities, costs and expenses (including but not limited to legal costs on a solicitor and client basis) arising from or in relation to enforcement by Bursa Clearing (S) of any of its rights against the Borrower pursuant to these SBL Conditions. This obligation to indemnify Bursa Clearing (S) shall survive the termination of these SBL Conditions.

17. Borrower treated as principal

In so far as the rights and liabilities of Bursa Clearing (S) against the Borrower under these SBL Conditions are concerned, a Borrower shall be treated as principal in all matters including but not limited to transactions (whether on its own account or for the account or accounts of its clients) and shall be liable to Bursa Clearing (S) as such.

18. Termination of these SBL Conditions or Suspension of Borrowing

18.1 Each Party has the right to terminate the contractual relationship pursuant to these SBL Conditions by giving prior written notice subject to an obligation to ensure that all Loans which have been entered into but not discharged at the time such notice is given are duly discharged in accordance with these SBL Conditions. The length of such written notice and the date upon which the termination shall become effective shall be specified in the SBL Circulars.

18.2 Notwithstanding any provision to the contrary as contained in these SBL Conditions, Bursa Clearing (S) may, where it deems necessary and without assigning any reason whatsoever, suspend borrowing or further borrowing by the Borrower pursuant to these SBL Conditions for such period as it deems necessary.

19. Further Assurances

The Borrower shall do all such things and provide all such assurances as may be required by Bursa Clearing (S) to perfect or preserve the rights and interests of Bursa Clearing (S) under or pursuant to these SBL Conditions including but not limited to the execution of all documents and the performance of all acts and things as shall be required by Bursa Clearing (S) pursuant to these SBL Conditions.

20. Single Agreement

Each Party acknowledges that, it has entered into these SBL Conditions and will enter into each Loan in consideration of and in reliance upon the fact that, all Loans constitute a single business and contractual relationship and are made in consideration of each other. Accordingly, each Party agrees:-

- (a) to perform all of its obligations in respect of each Loan, and that a default in the performance of any such obligations shall constitute a default by it in

respect of all Loans; and

- (b) that payments, deliveries and other transfers made by either of them in respect of any Loan shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Loan.

21. Confidentiality

Bursa Clearing (S) shall not disclose information pertaining to the Loan transactions by the Borrower except where it is bound by law or pursuant to any requirement of any relevant authority in Malaysia to whom Bursa Clearing (S) is bound to make such disclosure. Without limiting the generality of the foregoing, Bursa Clearing (S) shall be entitled to disclose any information or to produce any document in its possession or control if required or requested to do so by the Securities Commission of Malaysia. In addition, Bursa Clearing (S) will also be entitled to disclose any information in its possession or control to the Securities Commission of Malaysia or authorised personnel of Bursa Securities by way of granting such persons access to the Bursa SBL System and to retain such information in whatever form, for purpose of facilitating the performance of their duties and functions under the relevant requirements, Rules or laws.

22. Access to Bursa SBL System and Notices

22.1 Notwithstanding that certain provisions of these SBL Conditions may require written notices, Bursa Clearing (S) is authorised but not required to act on notices received by facsimile.

22.2 The Borrower hereby acknowledges and agrees that it has requested to be given access and use of the Bursa SBL System for purposes of submitting Borrowing Request(s) electronically to Bursa Clearing (S) or such other services as may be prescribed by Bursa Clearing (S). The Borrower hereby agrees that it shall comply with any procedures, directives, instructions as may be issued or prescribed by Bursa Clearing (S) from time to time for the use of the Bursa SBL System. The Borrower acknowledges that notices, instructions, confirmations, requests, reports or statements (“Said Information”) in an electronic form generated by the Bursa SBL System and written notices received by facsimile shall be irrevocable and binding on the Borrower upon electronic transmission through the Bursa SBL System or upon such written notice being acted upon by Bursa Clearing (S) and Bursa Clearing (S) shall be entitled (but not obliged) to effect, perform or process such electronic or faxed notices, instructions or requests without the Borrower’s further consent and without any further reference or notice to the Borrower. For the avoidance of doubt, Bursa Clearing (S) shall be under no obligation to give effect to any notices, instructions or requests of the Borrower and shall be entitled, at its sole and absolute discretion and without assigning any reason, to refuse to accept any notices, instructions or requests of the Borrower or to only execute part of the notices, instructions or requests. Bursa Clearing (S) shall not be liable for any losses, damages, costs or expenses suffered by the Borrower as a result of any such refusal or any partial execution of the notices, instructions or requests.

22.3 Corporate Action Notices which are required to be given to the Borrower pursuant to **Condition 8.7** shall, where applicable, also be given by Bursa Clearing (S) to

the Borrower's Client in any one of the modes set out in **Condition 22.4**.

22.4 Any notice or other communication in respect of these SBL Conditions shall be given in writing and delivered personally or sent by ordinary post, facsimile or electronic mail, transmitted through the Bursa SBL System or communicated through a public advertisement:-

- (a) in the case of Bursa Clearing (S), to the postal address or facsimile number or electronic mail address specified by Bursa Clearing (S) from time to time in the SBL Circulars or via the Bursa SBL System; and
- (b) in the case of the Borrower, to the postal address, facsimile number or electronic mail address as stated in the Application or to such other address or number as the Borrower shall notify in writing to Bursa Clearing (S), to the address or number maintained in the records of Bursa Clearing (S) for whatever purposes or via the Bursa SBL System.

Any such notice or other communication issued in accordance with the above provisions shall be deemed to have been received:

- (a) if delivered personally, on the date of delivery;
- (b) if sent by ordinary post, three (3) Business Days after the date of posting unless actually received earlier;
- (c) if sent by facsimile, when confirmation of its transmission has been recorded by the sender's facsimile machine (provided that if the date of transmission is not a Business Day it shall be deemed to have been received at the opening of business on the next Business Day); or
- (d) if sent by electronic mail or via the Bursa SBL System, at the time of the transmission (provided that if the date of transmission is not a Business Day it shall be deemed to have been received at the opening of business on the next Business Day).

22.5 The Borrower undertakes to indemnify and hold harmless Bursa Clearing (S) (and its successors and affiliates) from and against all losses, damages, deficiencies, claims, costs and expenses including legal fees and all other liabilities arising out of or related to Bursa Clearing (S) agreeing to accept and accepting or agreeing to act or acting on requests or notifications from the Borrower by facsimile.

23. Amendments

Bursa Clearing (S) shall be entitled at its absolute and sole discretion to cause any amendment, variation, modification, addition to or substitution of any of the terms and conditions of these SBL Conditions (collectively "Amendment"). The date on which an Amendment shall become effective shall not be earlier than seven (7) Business Days from the date Bursa Clearing (S) issues its Amendment notice. If the Borrower does not withdraw its Application or terminate the Loan before the date the Amendment becomes effective, the Borrower shall be deemed to have consented to such Amendment.

24. Severability

If any provision of these SBL Conditions is declared by any judicial or other competent authority to be void or otherwise unenforceable, that provision shall be severed from these SBL Conditions and the remaining provisions of the SBL Conditions shall remain in full force and effect. The SBL Conditions shall, however, thereafter be amended so as to achieve as far as possible, without illegality, the intention of the Parties with respect to that severed provision.

25. Specific Performance

Each Party agrees that in relation to legal proceedings it will not seek specific performance of the other Party's obligation to deliver or redeliver Loaned Securities, Equivalent Loaned Securities, Collateral or Equivalent Collateral but without prejudice to any other rights it may have.

26. Survival

All representations, limitations of liability, releases and indemnifications made or given and all statements and certificates delivered in connection with or pursuant to these SBL Conditions shall be considered to have been relied upon by the other Party and shall survive the termination of each Loan.

27. Accuracy of Data

Bursa Clearing (S) does not guarantee the accuracy of any price received from Bursa Securities or from any other source of pricing or information that Bursa Clearing (S) uses in the ordinary course of its business. It shall not be the obligation or duty of Bursa Clearing (S) to inquire whether any price changes or fluctuations are appropriate or otherwise or to determine the reasons for such changes or fluctuations and Bursa Clearing (S) shall not be liable for any losses, costs, expenses, damages and liabilities arising from any inaccuracy or error in such price or information.

28. Statement by Bursa Clearing (S) conclusive

A written statement or a certificate duly signed by an officer of Bursa Clearing (S) for the time being authorised to do so or generated by the Bursa SBL System certifying the amount or amounts due to or owing by one Party to the other and/or the liabilities incurred by one Party and payable by the other pursuant to these SBL Conditions shall in the absence of any manifest error be final and conclusive of the matters so certified and shall be binding on the Parties.

29. Limitation of Liability

- 29.1 The Bursa Group and/or its directors, officers, employees or agents shall not be liable for any losses or damages that may be incurred or suffered by the Borrower, as the case may be, arising from mechanical breakdown, computer or system software malfunction or failure or other failures of equipment howsoever caused unless such breakdown or failure shall have been caused by fraudulent or negligent acts or omissions.
- 29.2 In the absence of any act of negligence or fraud on the part of Bursa Clearing (S), Bursa Clearing (S) and/or its directors, officers, employees or agents shall not be liable for any losses (including indirect or unforeseeable loss) arising out of or in relation to the loss, destruction or misdelivery of any Loaned Securities, Equivalent Loaned Securities, Collateral or Equivalent Collateral or any action taken or omitted or purported to be taken or omitted in connection with these SBL Conditions or any delays in carrying out its obligations under these SBL Conditions whether so prevented or delayed by law or any circumstances beyond its control, or any forgery of the Borrower's signature, instructions or requests. In any event, the aggregate liability of Bursa Clearing (S) shall not exceed the market value of any Loaned Securities, Equivalent Loaned Securities, Collateral or Equivalent Collateral to which the loss or damage relates calculated at the time such negligence or fraud is discovered. Regardless of the basis of any claim, in no event will Bursa Clearing (S) be liable for any special, indirect, incidental, consequential or punitive damages arising out of or relating to these SBL Conditions even if informed of such damages.
- 29.3 Bursa Clearing (S), in the performance of its obligations under these SBL Conditions, shall be entitled to act or refrain from acting on the advice of its professional advisors including but not limited to any lawyer, valuer, accountant, banker, stockbroking company or other expert and shall not be liable in the absence of negligence or fraud on its part, for any loss or damage incurred or suffered as a result of so acting or refraining from acting.
- 29.4 Bursa Clearing (S) shall not be obliged to investigate or to ascertain the validity of any Loaned Securities. Bursa Clearing (S) shall not, in the absence of negligence or fraud on its part, be liable for any losses incurred or suffered by any Borrower as a result of Loaned Securities that are forged or invalid or that are not unencumbered or freely transferable being credited into the Securities Accounts specified in the SBL Account Opening Form.
- 29.5 Each Party agrees that in relation to legal proceedings it will not seek specific performance of the other Party's obligation to deliver or redeliver Securities, Equivalent Securities, Collateral or Equivalent Collateral but without prejudice to any other rights it may have as provided for by these SBL Conditions.

30. Force Majeure

- 30.1 The Parties hereto acknowledge and accept that Bursa Clearing (S) is part of the Bursa Group and that Bursa Clearing (S) may be required to suspend the operation of the Bursa SBL System and the provision of all ancillary services if for any reason the records of Bursa Clearing (S) or Bursa Depository or the Bursa SBL System or other component of the Bursa Group are unavailable, inaccessible, delayed or hindered in any manner. In any such event, Bursa Clearing (S) shall not be liable for any failure, hindrance or delay in the provision of services or for the failure to give or the delay in giving effect to any notice or communication from the Borrower.
- 30.2 The Bursa Group and/or its directors, officers, employees or agents shall not be liable for any losses or damages that may be incurred or suffered by the Borrower arising from causes beyond its reasonable control including, without limitation, acts of God or the public enemy, acts of a civil or military authority, natural disasters, embargoes, industrial action, fires, floods, mechanical breakdowns, computer or system failures or sabotage, delay or inability to act by any registrar, interruptions of power supplies or other utility or services, currency restrictions, any law, regulation or order of any government, competent authority or any court or tribunal, war or terrorism.

31. Governing Law and Arbitration

- 31.1 These SBL Conditions shall be governed by and shall be construed in accordance with the laws of Malaysia.
- 31.2 The Parties hereby agree that any dispute, controversy or claim between the Parties arising out of or in connection with any transactions relating to the Bursa SBL and/or any transactions pursuant to these SBL Conditions (“Disputes”), shall be settled by arbitration in accordance with the Rules for Arbitration of the Kuala Lumpur Regional Centre for Arbitration (“KLRCA Rules”). Notwithstanding the rules set forth in the KLRCA Rules, the following provisions shall apply to such arbitration proceedings:
- (a) The arbitral tribunal shall consist of one (1) arbitrator if the Parties agree on the appointment of such single arbitrator within fourteen (14) days of the date of filing with the Director of the Kuala Lumpur Regional Centre for Arbitration (“KLRCA”) of a copy of the notice of arbitration by the claimant and served on the respondent. If a Party fails to confirm in writing its agreement to the appointment of the sole arbitrator or has not confirmed in writing that it does not agree to the appointment of one arbitrator within the fourteen (14) day period provided herein, the arbitrator nominated by the other Party shall be the sole arbitrator.
 - (b) Where the Parties cannot agree on the appointment of one (1) arbitrator, the arbitral tribunal shall, subject always to **Condition 31.2(c)** below, consist of three (3) arbitrators who shall be appointed in the following manner. Each Party to the dispute shall appoint one (1) arbitrator within fourteen (14) days of the expiration of the fourteen (14) day period stated in **Condition 31.2(a)** above. The Parties agree that the third (3rd)

arbitrator, who shall be the presiding arbitrator, shall be appointed by the Director of the KLRCA within twenty one (21) days of the expiration of the fourteen (14) day period stated in **Condition 31.2(a)** above. The Director of the KLRCA shall appoint as presiding arbitrator a person who has at least 15 years of relevant working experience in the securities industry. Where the Director of the KLRCA is unable to act or fails to act within the period specified for the appointment of the presiding arbitrator, any Party may apply to the High Court of Malaya and the High Court in Sabah and Sarawak or either of them as the case may require, for such appointment.

- (c) Where a Party fails to appoint an arbitrator within the period stated in **Condition 31.2(b)** above, then the arbitral tribunal shall not consist of (3) arbitrators but one (1) arbitrator who shall be the arbitrator appointed by the other Party.
- (d) Where the arbitral tribunal consists of three (3) arbitrators and a Party fails to appoint a successor to its appointed arbitrator within fourteen (14) days of the death, resignation or other incapacity of such arbitrator, the presiding arbitrator shall appoint such successor.
- (e) The place of arbitration shall be Kuala Lumpur.
- (f) The language to be used in the arbitral proceedings shall be English.

32. Assignment

The Borrower may not assign or transfer any of its rights or obligations under these SBL Conditions without the prior written consent of Bursa Clearing (S).

33. Non-Waiver

No failure or delay by either Party (whether by course of conduct or otherwise) to exercise any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege as herein provided.

34. Successors Bound

Subject to **Condition 32**, these SBL Conditions shall be binding upon the successors-in-title of the Borrower.

35. Time

Time shall be of the essence of these SBL Conditions.